

**UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF  
TEXAS, DALLAS DIVISION**

**In Re: Highland Capital Management, L.P.** § Case No. **19-34054-SGJ-11**

**Hunter Mountain Investment Trust**

Appellant §

vs. §

**Highland Capital Management, L.P, et al** § **3:23-CV-2071-E**

Appellee §

**[3904] Order Pursuant to Plan "Gatekeeper Provision" and Pre-Confirmation "Gatekeeper Orders"  
Denying Hunter Mountain Investment Trust's Emergency Motion for Leave to File Verified Adversary  
Proceeding. Entered on 8/25/2023.**

**Volume 33**

**APPELLANT RECORD**

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

In re:

HIGHLAND CAPITAL  
MANAGEMENT, L.P.

Reorganized Debtor.

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Chapter 11

Case No. 19-34054-sgj11

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APPELLANT HUNTER MOUNTAIN INVESTMENT TRUST'S  
SECOND SUPPLEMENTAL STATEMENT OF THE ISSUES AND  
DESIGNATION OF ITEMS FOR INCLUSION IN THE APPELLATE RECORD

COMES NOW Appellant/Movant Hunter Mountain Investment Trust, both in its individual capacity and derivatively on behalf of the Reorganized Debtor, Highland Capital Management, L.P., and the Highland Claimant Trust,<sup>1</sup> (collectively, "Appellant" or "HMIT"), and files this Second Supplemental<sup>2</sup> Statement of the Issues and Designation of Items for Inclusion in the Appellate Record pursuant to Federal Rule of Bankruptcy Procedure 8009(a)(1):

I.  
STATEMENT OF THE ISSUES

- A. Did the bankruptcy court err in determining that the "colorable" claim analysis allowed the court to consider evidence and other non-pleading materials including, but not limited to, the court's reasoning that:
1. the colorability analysis is stricter than a non-evidentiary, Rule 12(b)(6)-type analysis;
  2. the colorability analysis is "akin to the standards applied under the ... *Barton* doctrine";
  3. the colorability analysis requires a "hybrid" of the *Barton* doctrine and "what courts have applied when considering motions to file suit when a vexatious litigant bar order is in place"; and/or,

<sup>1</sup> And in all capacities and alternative derivative capacities asserted in HMIT's Emergency Motion for Leave to File Verified Adversary Proceeding [Dkt. Nos. 3699, 3815, and 3816] ("Emergency Motion"), the supplement to the Emergency Motion [Dkt. No. 3760], and the draft Complaint attached to the same [Dkt. No. 3760-1].

<sup>2</sup> Appellant files this Second Supplement pursuant to the Clerk's request at Docket #3949 and correspondence on 10/23/2023.

4. “[t]here may be mixed questions of fact and law implicated by the Motion for Leave”?

[See Dkt. Nos. 3781, 3790, 3903-04].

- B. Did the bankruptcy court err in determining that Appellant lacked constitutional or prudential standing to bring its claims in its individual and derivative capacities?

[See Dkt. Nos. 3903-04].

- C. Did the bankruptcy court err in alternatively determining that, even under a non-evidentiary, Rule 12(b)(6)-type analysis, Appellant did not assert colorable claims including, but not limited to, determining that:

1. Appellant’s allegations are conclusory, speculative, or constitute “legal conclusions”;
2. Appellant’s claims or allegations are not “plausible”;
3. Appellant’s allegations pertaining to a *quid pro quo* are “pure speculation”;
4. Proposed Defendant James P. Seery (“Seery”) owed no duty to Appellant in any capacity as a matter of law;
5. Appellant failed “to allege facts in the Proposed Complaint that would support a reasonable inference that Seery breached his fiduciary duty to HMIT or the estate as a result of bad faith, self-interest, or other intentional misconduct rising to the level of a breach of the duty of loyalty”;
6. Appellant’s allegations pertaining to its aiding and abetting and conspiracy claims are speculative and not plausible;
7. The remedies of equitable disallowance and equitable subordination are not remedies “available” to Appellant as a matter of law;
8. Appellant’s unjust enrichment claim is invalid as a matter of law because “Seery’s compensation is governed by express agreements”;
9. Appellant is not entitled to declaratory relief because it has no colorable claims; and/or
10. Appellant cannot recover punitive damages for its breach of fiduciary duty claim?

[See Dkt. Nos. 3903-04].

- D. Alternatively, even if the bankruptcy court correctly determined that its “hybrid” *Barton* analysis controls, did the court violate Appellant’s due process rights by denying Appellant its requested discovery?

[See Dkt. Nos. 3800, 3853, 3903-04, June 8, 2023 Hearing].

- E. Alternatively, did the bankruptcy court err by denying Appellant’s requested discovery including, but not limited to:

1. ordering that Appellant could not request or obtain any discovery other than a deposition of Seery and James D. Dondero; and/or
2. determining that state court “Rule 202” proceedings supported the denial of discovery?

[See Dkt. Nos. 3800 & June 8, 2023 Hearing; *see also* Dkt. Nos. 3903-04].

- F. Alternatively, did the bankruptcy court err by denying Appellant’s alternative request for a continuance to obtain the requested discovery?

- G. Alternatively, did the bankruptcy court err by excluding Appellant’s evidence, or admitting the same for only limited purposes, offered at the June 8, 2023 Hearing?

- H. Alternatively, did the bankruptcy court err by overruling Appellant’s objections to Appellees’ evidence offered at the June 8, 2023 Hearing?

- I. Alternatively, did the bankruptcy court err by excluding Appellant’s experts’ testimony?

[See Dkt. No. 3853; *see also* Dkt. Nos. 3903-04].

- J. Alternatively, did the bankruptcy court err by striking Appellant’s proffer of its excluded experts’ testimony from the record?

[See Dkt. No. 3869].

- K. Alternatively, if the bankruptcy court correctly determined that its “hybrid” *Barton* analysis controls, did the bankruptcy court err in determining that Appellant had not asserted colorable claims under that “hybrid” analysis including, but not limited to, its findings that:

1. there is no evidence to support that Seery shared material non-public information with the Claims Purchasers;
2. there is no evidence to support the alleged quid pro quo;
3. the material shared was *public* information; and/or
4. the Claims Purchasers had sufficient and lawful reasons to pay the amounts paid

for the purchased claims.

[See Dkt. Nos. 3903-04].

- L. Did the bankruptcy court err in finding that Appellant is controlled by Dondero, and, as such, Appellant “cannot show that it is pursuing the Proposed Claims for a proper purpose”?
- M. Alternatively, does sufficient evidence support the bankruptcy court’s evidentiary findings made pursuant to its “hybrid” *Barton* analysis?
- N. Did the bankruptcy court err in denying an expedited hearing on Appellant’s Motion for Leave? [See Dkt. 3713].
- O. Does the bankruptcy court’s use of a new “colorability” standard to determine if claims by non-debtors against other non-debtors may proceed violate *Stern v. Marshall* and its progeny?
- P. Did the bankruptcy court err in denying Appellant’s Motion to Alter or Amend Order, to Amend or Make Additional Findings, for Relief from Order, or Alternatively, for New Trial under Federal Rules of Bankruptcy Procedure 7052, 9023, and 9024 including, but not limited to by:
  - 1. declining to consider disclosures that demonstrated that Appellant is “in the money”—an issue pertinent to the court’s erroneous standing decisions; and
  - 2. concluding that the disclosures failed to reinforce Appellant’s standing to pursue the claims presented?

[Dkt. 3936].

**II.**  
**DESIGNATION OF ITEMS FOR INCLUSION**  
**IN THE APPELLATE RECORD**

Vol. 1  
**1. Notice of Appeal**

- a. Notice of Appeal [Dkt. 3906];
- b. Amended Notice of Appeal [Dkt. 3908]; and
- c. Second Amended Notice of Appeal [Dkt. 3945]

**2. The judgment, order, or decree appealed from:**

- a. Memorandum Opinion and Order Pursuant to Plan “Gatekeeper Provision” and Pre-Confirmation “Gatekeeper Orders”: Denying Hunter Mountain Investment

000835  
000940

Trust's Emergency Motion for Leave to File Adversary Proceedings [Dkts. 3903 & 3904]; and

001045

- b. Order Denying Motion of Hunter Mountain Investment Trust Seeking Relief Pursuant to Federal Rules of Bankruptcy Procedure 7052, 9023, and 9024 [Dkt. 3936].

**3. Docket sheet.**

001049

- a. Bankruptcy Case No. 19-34054

**4. Other Items to be included:**

- a. HMIT hereby designates the following items in the record on appeal from Cause No. 19-34054-sgj11:

Vol. 2	FILE DATE	DOCKET NO. (INCLUDING ALL ATTACHMENTS AND APPENDICES)	DESCRIPTION
001594	01/22/2021	1808	Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (As Modified)
001660	02/22/2021	1943	Order (I) Confirming the Fifth Amended Plan of Reorganization of Highland Capital Management, L.P. (as Modified) and (II) Granting Related Relief
001821	09/09/2022	3503	Motion to Conform Plan filed by Highland Capital Management, L.P.
001830	02/27/203	3671	Memorandum Opinion and Order on Reorganized Debtor's Motion to Conform Plan
Vol. 3	03/28/2023	3699 (3699-1 — 3699-5)	HMIT Emergency Motion for Leave to File Verified Adversary Proceeding and Attached Verified Adversary Complaint
001849	03/28/2023	3700 (3700-1)	HMIT Motion for Expedited Hearing on Emergency Motion for Leave to File Verified Adversary Proceeding
Vol. 4	03/30/2023	3704	Farallon, Stonehill, Jessup and Muck Objection to Motion for Expedited Hearing
002236	03/30/2023	3705	HMIT Amended Certificate of Conference
002243			
002248			



Vol. 5 002251	03/30/2023	3706	HMIT Amended Certificate of Conference
002254	03/30/2023	3707	Highland's Response in Opposition to Emergency Motion for Leave
002262	03/30/2023	3708 (3708-1 — 3708-8)	Declaration of John Morris in Support of the Highland Parties' Objection to Hunter Mountain Investment Trust's Opposed Application for Expedited Hearing on Emergency Motion for Leave to File Verified Adversary Proceeding
002348	03/31/2023	3712	HMIT Reply in Support of Application for Expedited Hearing
002355	03/31/2023	3713	Order Denying Motion for Expedited Hearing
002358	04/04/2023	3718 (3718-1 — 3718-4)	HMIT Motion for Leave to File Appeal
002391	04/04/2023	3719 (3719-1)	HMIT Motion for Expedited Hearing on Motion for Leave to File Appeal
002398	04/05/2023	3720	Order Denying HMIT's Opposed Motion for Expedited Hearing
002400	04/05/2023	3721 (3721-1 — 3721-2) Thru Vol. 7	HMIT Notice of Appeal
Vol. 8 002826	04/06/2023	3726 (3726-1) Thru Vol. 9	Certificate of Mailing regarding HMIT Notice of Appeal
Vol. 9 003257	04/07/2023	3731	Notice of Docketing Transmittal of Notice of Appeal
003260	04/13/2023	3738 (3738-1)	Highland's Opposed Emergency Motion to Modify and Fix a Briefing Schedule and Set a Hearing Date with Respect to HMIT's Emergency Motion for Leave
003270	04/13/2023	3739	Highland's Motion for Expedited Hearing
003278	04/13/2023	3740	Joinder to Highland's Emergency Motion to Modify and Fix Briefing Schedule and Set Hearing Date With Respect to Hunter Mountain Investment Trust's Emergency Motion for Leave to File Verified Adversary Proceeding filed by Farallon

		Capital Management, LLC, Jessup Holdings LLC, Muck Holdings LLC, Stonehill Capital Management LLC	
1	04/13/2023	3741	Notice of Hearing for 04/24/2023 at 1:30 PM
6	04/13/2023	3742	Amended Notice of Hearing for 04/24/2023 at 1:30 PM
11	04/13/2023	3745	Notice of Appearance and Request for Notice by Omar Jesus Alaniz filed by James P. Seery Jr.
94	04/15/2023	3747	Joinder by James P. Seery Jr. to Highland's Emergency Motion to Modify and Fix Briefing Schedule and Set Hearing Date with Respect to Hunter Mountain Investment Trusts Emergency Motion for Leave to File Verified Adversary Proceeding
6	04/17/2023	3748	HMIT's Response and Reservation of Rights
7	04/19/2023	3751	Notice of Status Conference
02	04/21/2023	3758	HMIT's Objection Regarding Evidentiary Hearing and Brief Concerning Gatekeeper Proceedings Relating to "Colorability"
1	04/21/2023	3759	HMIT's Notice of Rescheduling Hearing
14	04/21/2023	3761	HMIT's Objection Regarding Evidentiary Hearing and Brief Concerning Gatekeeper Proceedings Relating to "Colorability" <sup>3</sup>
23	04/23/2023	3760 (3760-1)	HMIT's Supplement to Emergency Motion for Leave to File Verified Adversary Proceeding and Attached Verified Adversary Complaint
8	04/25/2023	3765	Transcript of Hearing held on 04/24/2023
30	05/11/2023	3780	Objection to Hunter Mountain Investment Trust's (i) Emergency Motion for Leave to File Verified Adversary Proceeding; and (ii) Supplement to Emergency Motion for Leave to File Verified Adversary Proceeding filed by Farallon Capital Management, LLC, Jessup Holdings LLC, Muck

<sup>3</sup> A duplicate of Doc 3758.



Vol. 10		Holdings LLC, Stonehill Capital Management LLC
003458	05/11/2023 3781	Order Fixing Briefing Scheduling and Hearing Date with Respect to HMIT's Emergency Motion for Leave to File Verified Adversary Proceeding as Supplemented
003463	05/11/2023 3783	Highland and Seery's Joint Response to HMIT's Emergency Motion for Leave
Vol. 11 003537	05/11/2023 3784 (3784-1 — 3784-46)	Declaration of John Morris in Support of Highland Parties' Joint Response
Vol. 17 004665	05/18/2023 3785	HMIT's Reply in Support of Emergency Motion for Leave to File Adversary Proceeding
004712	05/22/2023 3787	Order Pertaining to the Hearing on Hunter Mountain Investment Trust's Motion for Leave to File Adversary Proceeding [DE##3699 & 3760]
004714	05/24/2023 3788 (3788-1 — 3788-5)	HMIT's Emergency Motion for Expedited Discovery or, Alternatively, for Continuance of June 8, 2023 Hearing
004808	05/24/2023 3789	HMIT's Application for Expedited Hearing
004813	05/24/2023 3790	Order Pertaining to the Hearing on Hunter Mountain Investment Trust's Motion for Leave to File Adversary Proceeding [DE##3699 & 3760]
004836	05/25/2023 3791 (3791-1 — 3791-5)	HMIT's Emergency Motion for Expedited Discovery or, Alternatively, for Continuance of June 8, 2023 Hearing
Vol. 18 004930	05/25/2023 3792	Order Setting Expedited Hearing
004931	05/25/2023 3795	Objection to Hunter Mountain Investment Trust's Emergency Motion for Expedited Discovery or, Alternatively, for Continuance of June 8, 2023 Hearing filed by Farallon Capital Management, LLC, Jessup Holdings LLC, Muck Holdings LLC, Stonehill Capital Management LLC

Vol. 18 004939.	05/25/2023	3798 (3798-1)	Highland Parties' Joint Response in Opposition to HMIT's Emergency Motion for Expedited Discovery
004959	05/26/2023	3800	Order Regarding Hunter Mountain Investment Trust's Emergency Motion for Expedited Discovery or, Alternatively, for Continuance of the June 8, 2023 Hearing
004961	05/28/2023	3801	Order Regarding Hunter Mountain Investment Trust's Emergency Motion for Expedited Discovery or, Alternatively, for Continuance of the June 8, 2023 Hearing
004984	06/05/2023	3815 (3815-1)	Hunter Mountain Investment Trust's Emergency Motion for Leave to File Verified Adversary Proceeding
005049	06/05/2023	3816 (3816-1)	Hunter Mountain Investment Trust's Emergency Motion for Leave to File Verified Adversary Proceeding
005114	06/05/2023	3817 (3817-1 — 3817-5) Thru Vol. 25	Highland Parties' Witness and Exhibit List with Respect to Evidentiary Hearing on June 8, 2023
Vol. 26 006608	06/05/2023	3818 (3818-1 — 3818-9) Thru Vol. 39	HMIT's Witness and Exhibit List in Connection with its Emergency Motion for Leave to File Verified Adversary Proceeding, and Supplement
Vol. 39 009273	06/07/2023	3820	Highland Parties' Joint Motion to Exclude Testimony and Documents of Scott Van Meter and Steve Pully
009290	06/07/2023	3821 (3821-1 — 3821-3)	Declaration in Support of Highland Parties' Joint Motion to Exclude Testimony and Documents of Scott Van Meter and Steve Pully
009416	06/07/2023	3822 (3822-1)	HMIT's Unopposed Motion to File Exhibit Under Seal [WITHDRAWN]
009424	06/07/2023	3823	Joinder to Joint Motion to Exclude Testimony and Documents of Scott Van Meter and Steve Pully filed by Farallon Capital Management, LLC, Jessup Holdings LLC, Muck Holdings LLC, Stonehill Capital Management LLC

06/07/2023	3824	HMIT's Objections to the Highland Parties' Exhibit and Witness List
06/08/2023	3828	HMIT's Response to Highland Claimant Trust and James P. Seery, Jr.'s Joint Motion to Exclude Testimony and Documents of Experts Scott Van Meter and Steve Pully
06/09/2023	3837	Request for transcript regarding hearing held on 06/08/2023
06/12/2023	3838	Court admitted exhibits on hearing June 8, 2023 (See Docket Entry Nos. 3817 & 3818)
06/12/2023	3841	Highland Parties' Reply in Further Support of their Joint Motion to Exclude Testimony and Documents of Scott Van Meter and Steve Pully
06/12/2023	3842 (3842-1)	Claim Purchasers' Joinder to Highland Capital Management, L.P., Highland Claimant Trust, and James P. Seery Jr.'s Reply in Further Support of Their Joint Motion to Exclude Testimony and Documents of Scott Van Meter and Steve Pully filed by Farallon Capital Management, LLC, Jessup Holdings LLC, Muck Holdings LLC, Stonehill Capital Management LLC
06/13/2023	3843	Transcript regarding Hearing Held 06/08/2023
06/13/2023	3844	Transcript regarding Hearing Held 05/26/2023
06/13/2023	3845	HMIT's Request for Oral Hearing or, Alternatively, a Schedule for Evidentiary Proffer
06/13/2023	3846	Response in Opposition to Hunter Mountain Investment Trust's Request for Oral Argument or, Alternatively, a Schedule for Evidentiary Proffer filed by Debtor Highland Capital Management, L.P., Other Professional Highland Claimant Trust, Creditor James P. Seery Jr.
06/13/2023	3847	HMIT's Reply to the Highland Parties' Response to Request for Oral Hearing
06/16/2023	3853	Memorandum Opinion and Order Granting Joint Motion to Exclude Expert Evidence

Vol. 42 009928	06/16/2023	3854	Memorandum Opinion and Order Granting Joint Motion to Exclude Expert Evidence
009944	06/19/2023	3858 (3858-1 — 3858-2)	Hunter Mountain Investment Trust's Evidentiary Proffer Pursuant to Rule 103(a)(2) <sup>4</sup>
010013	06/23/2023	3860	The Highland Parties' Objections to and Motion to Strike Hunter Mountain Investment Trust's Purported Proffer
010023	06/23/2023	3861	Claim Purchasers' Joinder to the Highland Parties' Objections and Motion to Strike Hunter Mountain Investment Trust's Purported Proffer
010025	07/05/2023	3869	Order Striking HMIT's Evidentiary Proffer Pursuant to Rule 103(a)(2) and Limiting Briefing
010029	07/06/2023	3872	Notice of Filing of the Current Balance Sheet of the Highland Claimant Trust filed by Debtor Highland Capital Management, L.P. and the Highland Claimant Trust
010035	07/21/2023	3888	Post-Confirmation Report for Highland Capital Management, LP for the Quarter Ending June 30, 2023 filed by Highland Capital Management, L.P.
010047	07/21/2023	3889	Post-Confirmation Report for Highland Capital Management, LP for the Quarter Ending June 30, 2023 filed by the Highland Claimant Trust
010059	08/17/2023	3901	Withdrawal of HMIT's Unopposed Motion to File Exhibit Under Seal filed by Creditor Hunter Mountain Investment Trust
Vol. 43 010062	09/08/2023	3905 (3905-1 — 3905-6)	Motion to Alter or Amend Order, to Amend or Make Additional Findings, for Relief from Order, or, Alternatively, for New Trial Under Federal Rules of Bankruptcy Procedure 7052, 9023, and 9024 and Incorporated Relief Filed by Creditor Hunter Mountain Investment Trust

<sup>4</sup> HMIT understands that the Court struck this proffer in docket entry 3869. Because the proffer appears to remain on the record and to avoid any argument that HMIT has failed its burden to designate the record, HMIT designates this docket entry out of an abundance of caution.

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09/11/2023	3907	Clerk's Correspondence regarding HMIT's Notice of Appeal
09/22/2023	3928	Notice Regarding Appeal and Pending Post-Judgment Motion filed by HMIT

**B. Exhibits.**

Further, the Parties submitted hearing exhibits. HMIT designates for inclusion in the record for appeal all the hearing exhibits submitted to the Court, which were all electronically filed and are in the Court's record and are a part of this Appellate Record. (Docs. 3817 and 3818). The following exhibits are submitted and included in the Court's record:

<b><u>HMIT Exhibits</u></b> <b>(Dkts. 3818, 3818-1, 3818-2, 3818-3, 3818-4, 3818-5, 3818-6, 3818-7, 3818-8, and 3818-9)</b>
HMIT Exhibits 1-4, 6-80
<b><u>HCM Exhibits</u></b> <b>(Dkts. 3817, 3817-1, 3817-2, 3817-3, 3817-4, 3817-5)</b>
HCM Exhibits 2-15, 25-34, 36, 38-42, 45-46, 51, 59-60, 100

Dated: October 23, 2023

Respectfully Submitted,

**PARSONS MCENTIRE MCCLEARY  
PLLC**

By: /s/ Sawnie A. McEntire  
Sawnie A. McEntire  
Texas State Bar No. 13590100  
smcentire@pmmlaw.com  
1700 Pacific Avenue, Suite 4400  
Dallas, Texas 75201  
Telephone: (214) 237-4300  
Facsimile: (214) 237-4340

Roger L. McCleary  
Texas State Bar No. 13393700  
rmccleary@pmmlaw.com  
One Riverway, Suite 1800  
Houston, Texas 77056  
Telephone: (713) 960-7315  
Facsimile: (713) 960-7347



*Attorneys for Hunter Mountain Investment  
Trust*

**CERTIFICATE OF SERVICE**

A true and correct copy of the foregoing document was served via ECF notification on October 23, 2023, on all parties receiving electronic notification.

/s/ Sawnie A. McEntire  
Sawnie A. McEntire



1 contract is now no longer under your purview once the contract  
2 has been assumed. And so they shouldn't have to make a  
3 colorable claim to you that a breach of the contract has  
4 occurred. That should be the determining factor for another  
5 court.

6 That's, in essence, what *Craig's Store* says. Your  
7 jurisdiction and the jurisdiction of a bankruptcy court is  
8 limited. It's limited by *Stern vs. Marshall*. It's limited by  
9 your ability to render findings of fact and conclusions of law  
10 versus render a final decision. That decision has been made  
11 not by us, it's been made by Congress and it's been made by  
12 the United States Constitution.

13 THE COURT: All right. And I think we all agree with  
14 you regarding the holding of *Craig's Stores* and some of the  
15 other post-confirmation bankruptcy subject matter jurisdiction  
16 holdings. But Mr. Pomerantz is arguing that this gatekeeping  
17 function is warranted by, among other things, you know, there  
18 was a district court holding, *Baum v. Blue Moon*, or a Fifth  
19 Circuit case, that upheld a district court having the ability  
20 to impose pre-filing injunctions in the context of a vexatious  
21 litigator. So, you know, that's a strong analogy he makes to  
22 what's sought here. What is your response to that?

23 MR. DRAPER: My response to that is a district court  
24 can do that. A district court has jurisdiction to make that  
25 decision. And quite frankly, a district court can sanction a

1 vexatious litigator under Rule 11.

2 So, in fact -- again, you have to bifurcate your power  
3 versus the power that a district court has. And that  
4 gatekeeper provision is allowed by a district court because  
5 they had authority over the case. You may not have authority  
6 over being the gatekeeper for a post-confirmation matter that  
7 you had no jurisdiction over to start with.

8 THE COURT: Okay.

9 MR. DRAPER: That, that's the distinction between  
10 here. That's -- what's going on here is they are -- they are  
11 mashing together a whole load of concepts under the vexatious  
12 litigator and the anti-Dondero function that fundamentally  
13 abrogate the distinction between what your jurisdiction is  
14 pre-confirmation versus your jurisdiction post-confirmation.  
15 And that --

16 THE COURT: Do you think --

17 MR. DRAPER: -- is sacrosanct.

18 THE COURT: Do you think Judge Lynn got it wrong in  
19 *Pilgrim's Pride*? Do you think Judge Houser got it wrong in  
20 *CHC*? Or do you think this situation is different?

21 MR. DRAPER: There are two parts to that. I have  
22 told Judge Lynn, since I have been working with him, that I  
23 think *Pilgrim's Pride* is wrongfully decided. However, having  
24 said that, *Pilgrim's Pride* and those cases dealt with claims  
25 against the -- the channeling injunction affected actions

1 during the bankruptcy. It did not serve as a post-  
2 jurisdictional grant of jurisdiction to the bankruptcy court.  
3 It did not pose as an ability -- as a limitation on a post-  
4 confirmation litigator or a post-effective date litigator to  
5 address a wrong done to them by an independent director of a  
6 general partner.

7 In a sense, Judge Lynn's determination, and Judge Houser,  
8 is consistent somewhat with the Barton Doctrine. Now, do I  
9 agree that they're right? No. But I understand the decision  
10 and I understand the context in which it was rendered and I  
11 don't have a huge problem with it.

12 So, again, let's parse what we're trying to do here.  
13 Number one, we are -- we have to bifurcate post-confirmation  
14 jurisdiction or post-effective date jurisdiction and what you  
15 can do as a post-effective date arbiter versus what you could  
16 do pre-effective date and pre-effective date claims. And  
17 again, that's the problem with what's written here. It is  
18 designed one hundred percent to expand your post-effective  
19 date jurisdiction through both the gatekeeper provision and  
20 the jurisdictional grant that's here from your pre-effective  
21 date capability, your pre-effective date jurisdiction, and  
22 your pre-effective date ability to either curb a claim or not  
23 to curb a claim. And that, that's the issue.

24 And again, let's start talking about the independent  
25 directors. I recognize, again, that there's an order there.

1 But if Mr. Seery -- let's take Mr. Seery -- is acting as a  
2 director of Strand but is also an accountant for the Debtor  
3 and makes a mistake, he would be sued in his capacity as the  
4 accountant for the Debtor, not as an independent director of  
5 Strand. That distinction needs to be made.

6 What we are doing here under this plan, and what's been  
7 argued by Mr. Pomerantz, is too broad a brush. It needs to be  
8 cut back. The Court needs to take a very hard look at what's  
9 being presented here.

10 And again, the Court's order is very clear. And this is  
11 binding. I recognize that. But the protection they got was  
12 serving as an independent director. The protection they  
13 didn't get was -- let's take Mr. Seery, if Mr. Seery was  
14 serving as an accountant and blew a tax return. Those are  
15 distinctions that warrant analysis and warrant looking at  
16 here. And again, it is too broad a brush that's touted here,  
17 and that is why this plan on its face is not confirmable with  
18 respect to both the post-confirmation jurisdiction, the  
19 gatekeeper provision, the exculpation provisions.

20 And so let me address a few other things, just to address  
21 them. Number one, the argument has been made with respect to  
22 the creditors and the resolicitation issue and that creditors  
23 could have come in looking, seen, followed the case, and  
24 basically calculated and made the same calculation that the  
25 Debtor made when they filed this and put forth the new plan

1 analysis versus liquidation analysis. And then they've also  
2 made the argument, well, nobody came and complained. Well,  
3 two parts to that.

4 Number one, as you know, a disclosure statement needs to  
5 be on its face and should not require a creditor to go back in  
6 and monitor the record -- and quite frankly, in this record,  
7 there are thousands of pages -- and do the calculation  
8 himself. This was incumbent upon the Debtor to possibly  
9 resolicit when these material changes took place.

10 Number two, the recalculation has not been subject to the  
11 entire creditor body seeing it. And anybody who wanted to  
12 call them would have had to have seen the document they filed  
13 on February 1st and made a telephone call basically  
14 contemporaneous with seeing it.

15 Those are two things. The argument that they didn't call  
16 me is just nonsensical. There's nobody -- you, you are  
17 sitting here -- and I've had a number of battles over the  
18 years with Judge (indecipherable), who was -- who -- and her  
19 view was, I'm here to protect the little guy who's not --  
20 didn't hire counsel, who's not represented by Mr. Clemente and  
21 his huge clients who have voted in favor of the plan. It's  
22 the little person, *i.e.*, the employees who would vote against  
23 a plan that they so -- so desperately tried to get out from  
24 under.

25 THE COURT: Well, --

1 MR. DRAPER: It's really a function --

2 THE COURT: -- Mr. Pomerantz argues it's not as  
3 though there was a materially adverse change in treatment; it  
4 was the disbursement estimate. And doesn't every Chapter 11  
5 plan -- most Chapter 11 plans, not every -- they make an  
6 estimate. I mean, and it's, frankly, it's very often a big  
7 range of recovery, right, a big range of recovery, because we  
8 don't know what the allowed claims are going to compute to at  
9 the end of the day. There's obviously liquidation of assets.  
10 We don't know. Isn't this sort of like every -- not, again,  
11 not every other plan, but most other plans -- where there's a  
12 big range of possible estimated distributions? I mean, this  
13 wasn't a change in treatment, right?

14 MR. DRAPER: Well, let me address that. There are  
15 two parts to that. Most plans I see that contain some sort of  
16 analysis have a range. This one doesn't have a range. What  
17 they've done is they've buried in a footnote or assumption  
18 that these numbers may change. So had they said, look, your  
19 recovery can go from 60 cents to 85 cents, God bless, they  
20 probably would have been right.

21 Number two, which is more problematic to me, to be honest  
22 with you, is the fact that, number one, the operating expenses  
23 have increased over a hundred percent. And number two, the  
24 Debtor has made a determination post-disclosure statement and  
25 pre-hearing that they're going to change their model of



1 business.

2 The original disclosure statement said we're not going to  
3 get into the managing CLO part of the business and we're going  
4 to let these contracts go. However, at some point along the  
5 way, they made a change. I don't know to this day, because I  
6 was never furnished the backup to the expense side. I  
7 understand what they said why they didn't give me the asset  
8 side, but the expense side, they should have given me, and I  
9 did ask for.

10 But, you know, what we have now is a more fundamental  
11 problem with the execution of the plan and the expectation  
12 that creditors -- what they're going to get, because, in fact,  
13 the expense items have doubled.

14 I think creditors were entitled to know that, rather than  
15 it having been sprung upon everybody, when I got it the day  
16 before a deposition. And so those are things that I think  
17 warranted a change in solicitation. Now, the result may have  
18 been the same. I don't know. More people may have voted  
19 against the plan. More people may have opted in from Class 8  
20 to Class 7, I mean, based upon that information. That  
21 information was not provided to them.

22 And so I look at two -- three things. One is a range  
23 could have been given, and they probably would have been a  
24 whole lot better off. Two, you have a material change in  
25 expenses. And three, you have a material change in business

1 model. Three things that occurred between November and this  
2 confirmation hearing. Three things that were not known by the  
3 creditor body and not told to them.

4 THE COURT: Mr. Draper, I --

5 MR. DRAPER: Now, it may have been told --

6 THE COURT: I don't want to belabor this any more  
7 than I think we need to, but I've got a Creditors' Committee  
8 with very sophisticated professionals, very sophisticated  
9 members. They're fiduciaries to this constituency. You know,  
10 you mentioned the little guy. I'm not quite sure who is the  
11 little guy in this case. I think it's a case of all big guys.  
12 But, I mean, they're fine with what's happened here.  
13 Meanwhile, you -- I mean, clarify your standing here for  
14 Dugaboy and Get Good. I mean, --

15 MR. DRAPER: I have --

16 THE COURT: -- I know you have standing. Mr.  
17 Pomerantz did not say you don't have standing. But in  
18 pointing out the economic interests here, I think he said your  
19 clients only have asserted a postpetition administrative  
20 expense. Is that correct?

21 MR. DRAPER: No. I have a post -- I have an -- I  
22 have a claim that's been objected to. I don't think my  
23 economic --

24 THE COURT: A claim of what amount?

25 MR. DRAPER: I think it's \$10 million. But Mr.

1 Pomerantz is right, it requires a looking through the --  
2 through the entity that I had a loan relationship with.

3 I recognize all of those things. I don't think that's  
4 relevant to whether my argument is correct or incorrect. I  
5 have standing to do it. I don't think whether my claim is 50  
6 cents or \$50 million should change the Court's view of whether  
7 the claim is good or bad.

8 THE COURT: Well, I do want to understand, though.  
9 Okay. So you have not asserted an administrative expense,  
10 correct?

11 MR. DRAPER: No. There's been an administrative  
12 expense that's been asserted, --

13 THE COURT: For what?

14 MR. DRAPER: -- but that --

15 THE COURT: For what?

16 MR. DRAPER: I don't have the number in front of me,  
17 Your Honor. I don't -- I don't have those numbers --

18 THE COURT: Okay. Well, then, --

19 MR. DRAPER: -- in front of me. I have asserted --

20 THE COURT: -- what is the concept? What is the  
21 basis for it?

22 MR. DRAPER: It deals with -- Mr. Pomerantz is  
23 absolutely right as to how he's articulated it.

24 THE COURT: I can't remember what he said.

25 MR. DRAPER: It deals with -- it deals with a

1 transaction that's unrelated to the Debtor that deals with  
2 Multi-Strat. I agree with that.

3 THE COURT: Okay. So I remember him saying piercing  
4 the corporate veil. Your trusts -- both of them, one of them,  
5 I don't know -- engaged in a transaction with Multi-Strat that  
6 you say --

7 MR. DRAPER: No, that --

8 THE COURT: -- gave -- okay. Well, you say Multi-  
9 Strat is liable and the Debtor is also liable?

10 MR. DRAPER: No. Let me make two things. The  
11 administrative claim deals with a Multi-Strat transaction that  
12 took place during the bankruptcy. My unsecured claim deals  
13 with a transaction that took place prior to the bankruptcy,  
14 where we lent money to another entity that then funneled money  
15 out into the Debtor. We're -- our contention is that the  
16 Debtor is liable for that loan.

17 THE COURT: All right. So both the administrative  
18 expense as well as the prepetition claim require veil-piercing  
19 to establish liability of the Debtor?

20 MR. DRAPER: Or single business enterprise. I don't  
21 necessarily have to veil-pierce.

22 THE COURT: Okay. I'm not even sure that single  
23 business enterprise is completely available anymore in Texas,  
24 by the Texas legislature doing different things, assuming  
25 Texas law applies. I don't know, maybe Delaware does. But I

1 -- sorry. Just let me let that sink in a little bit. You're

2 -- okay. Okay. Let me let it --

3 MR. DRAPER: Your Honor, I --

4 THE COURT: -- sink in a little bit.

5 MR. DRAPER: Okay.

6 THE COURT: These trusts -- of which Mr. Dondero is  
7 the beneficiary ultimately, right?

8 MR. DRAPER: Yes. Well, and to --

9 THE COURT: So, your --

10 MR. DRAPER: Again, I have not gone up --

11 THE COURT: The beneficiary of your client --

12 MR. DRAPER: Mr. Dondero is --

13 THE COURT: The beneficiary of your client is  
14 ultimately hoping to succeed on the administrative expense and  
15 the claim on the basis that you should disregard the  
16 separateness of Highland and these other entities?

17 MR. DRAPER: Well, let's take the --

18 THE COURT: When he's resisted that --

19 MR. DRAPER: -- unsecured claim. The --

20 THE COURT: -- in multiple pieces of litigation?

21 Right? I'm sorry. I'm just trying to let this sink in.

22 Okay. If you could elaborate. I'm sorry. I'm talking too  
23 much. You answer me.

24 MR. DRAPER: Okay. What we are saying is that, in  
25 essence, the party we lent the money to was a conduit for the

1 Debtor.

2 THE COURT: Okay. And who was that entity that  
3 either --

4 MR. DRAPER: Highland Select.

5 THE COURT: -- Dugaboy or Get Good lent money to?

6 MR. DRAPER: The Get Good claim is completely  
7 different. The Get Good claim is written as a tax claim.  
8 Honestly, I haven't taken a hard look at it. I will, once we  
9 get through this, and it may be withdrawn. The Dugaboy claim  
10 is a claim that arises through a conduit loan.

11 THE COURT: Okay. But to which entity?

12 MR. DRAPER: Highland Select.

13 THE COURT: Okay. All right. Well, continue with  
14 your argument. I'll get my flow chart out and --

15 MR. DRAPER: Well, let me -- again, I think I've made  
16 the points that I needed to make. I think I've done it in a  
17 sense that you -- what I think the Court needs to do is take a  
18 very hard look at the jurisdictional extension that's being  
19 granted here. I think the exculpation provision, in and of  
20 itself, just by the mere inclusion of Pachulski and the  
21 Debtor's professionals and the Committee professionals, is  
22 just unconfirmable. It has to be stricken.

23 And I think the injunction and the juris... the gatekeeper  
24 provision are not allowed by applicable law. If this plan  
25 merely said, we will enforce the Barton Doctrine, we will



1     abide -- and this order the Court has entered stands, the  
2     injunction that's provided and the rights that we have under  
3     1141 stand, nobody would be objecting. That's why the U.S.  
4     Trustee has objected, because of the expansive nature of what  
5     the -- what's been done in this plan.

6             And with that, I'll turn it over to Mr. Taylor or Davor.

7             THE COURT: All right. Who's next?

8             MR. RUKAVINA: Your Honor, Davor Rukavina. Can you  
9     hear me?

10            THE COURT: I can.

11            CLOSING ARGUMENT ON BEHALF OF CERTAIN FUNDS AND ADVISORS

12            MR. RUKAVINA: Your Honor, thank you. I'll try not  
13     to repeat the arguments from Mr. Draper, but I do want to  
14     point out a couple bigger-picture issues, I think.

15            One, the issue today is not Mr. Dondero, what he has been  
16     alleged to have done, what he is alleged to do in the future.  
17     The Debtor has gone out of its way to create the impression  
18     that we're all tentacles, we're vexatious litigants, we're  
19     frivolous litigants. The issue today is whether this plan is  
20     confirmable under 1129(a) and 1129(b). And I think that that  
21     has to be the focus.

22            Nor is the issue, I think, today any motivation behind my  
23     objection or Mr. Draper's or anything else.

24            And I do take issue that my motivation or my client's  
25     motivation has some ulterior motive for a competing plan or

1 burning down the house or anything like that. It's very, very  
2 simple. My clients do not want \$140 million of their money  
3 and their investors' money, to whom they owe fiduciary duties,  
4 to be managed by a liquidating debtor under new management  
5 without proper staffing and with an obvious conflict of  
6 interest in the form of Mr. Seery wearing two hats.

7 I respect very much that Mr. Seery wants to monetize  
8 estate assets for the benefit of the estate creditors. That's  
9 his job. That's incompatible with his job under the Advisers  
10 Act and, as he said, to maximize value to my clients and over  
11 a billion dollars of investments in these CLOs.

12 That should not be, Your Honor, a controversial  
13 proposition. I should not be described as a tentacle or  
14 vexatious because my clients don't want their money managed by  
15 someone that they, in effect, did not contract with. I may be  
16 -- I may lose that argument. The CLOs have obviously  
17 consented to the assumption. But my argument should not be  
18 controversial. It should not be painted with a broad brush of  
19 somehow being done in bad faith by Mr. Dondero.

20 And in fact, Mr. Seery has admitted that the Debtor and he  
21 are fiduciaries to us. The fact that today they call us  
22 things like tentacles and serial litigants and vexatious  
23 litigants -- we all know what a vexatious litigant is. We've  
24 all dealt with those. The fact that our fiduciary would call  
25 us that just reconfirms that it should have no business

1 managing our or other people's money.

2 And then for what? Mr. Seery has basically said that the  
3 Debtor will make some \$8.5 million in revenue from these  
4 contracts, net out \$4 million of expenses. That's net profit  
5 of \$4.5 million. But then they have to pay \$3.5 million for  
6 D&O insurance and \$525,000 in cure claims. But it's the  
7 Debtor's business decision, not ours.

8 Your Honor, the second issue is the cram-down of Class 8.  
9 There are two problems here: the disparate treatment between  
10 Class 7 and Class 8, which also raises classification, and  
11 then the absolute priority rule. Class 7 is a convenience  
12 class claim -- is a convenience claim, Your Honor, with a \$1  
13 million threshold. Objectively, that is not for  
14 administrative convenience, as the Code allows. And the only  
15 evidence as to how that million dollars was arrived at was,  
16 oh, it was a negotiation of the Committee.

17 There is no evidence justifying administrative  
18 convenience. Therefore, there is no evidence justifying  
19 separate classification. And on cram-down, the treatment has  
20 to be fair and equitable, which *per se* it is not if there is  
21 unfair discrimination. And there is unfair discrimination,  
22 because Class 8 will be paid less.

23 On the absolute priority rule, Your Honor, I think that  
24 it's very simple. I think that the Code is very clear that  
25 equity cannot retain anything -- I'm sorry, equity cannot

1 retain any property or be given any property. Property is the  
2 key word in 1129(b), not value. It doesn't matter that this  
3 property may not have any value, although Mr. Seery said that  
4 it might. What matters is whether these unvested contingent  
5 interests in the trust are property. And Your Honor, they are  
6 property. They have to be property. They are trust  
7 interests.

8 So the absolute priority rule is violated on its face.  
9 There is no evidence that unsecured creditors in Class 8 will  
10 receive hundred-cent dollars. The only evidence is that  
11 they'll receive 71 cents. Mr. Seery said there's a potential  
12 upside from litigation. He never quantified that upside. And  
13 there is zero evidence that Class 8 creditors are likely to be  
14 paid hundred-cent dollars. So, again, you have the absolute  
15 priority rule issue.

16 And this construct where, okay, well, equity won't be in  
17 the money unless everyone higher above is paid in full, that  
18 is just a way to try to get around the dictate of the absolute  
19 priority rule. If that logic flies, then the next time I have  
20 a hotel client or a Chapter 11 debtor-in-possession client  
21 where my equity wants to retain ownership, I'll just create  
22 something like, well, here's a trust, creditors own the trust,  
23 I won't distribute any money to equity, and equity can just  
24 stay in control.

25 The point again is that this is property and it's being

1 received on account of prepetition equity.

2 And there's also the control issue. The absolute priority  
3 rule, the Supreme Court is clear that control of the post-  
4 confirmation equity is also subject to the absolute priority  
5 rule. Here you have the same prepetition management  
6 postpetition controlling the Debtor and the assets.

7 Your Honor, the Rule 2015.3 issue, someone's going to say  
8 that it's trivial. Someone's going to accuse me of pulling  
9 out nothing to make something. Your Honor, it's not trivial.  
10 That's part of the problem in this case, that this Debtor owns  
11 other entities that own assets, and there's been precious  
12 little window given into that during the case, during this  
13 confirmation hearing, and in the disclosure statement.

14 Rule 2015.3 is mandatory. It's a shall. I respect very  
15 much Mr. Seery's explanation that there was a lot going on  
16 with the COVID and with everything and that it just fell  
17 through the cracks. That's an honest explanation. But the  
18 Rule has not been complied with. And 1107(a) requires that  
19 the debtor-in-possession comply with a trustee's duties under  
20 704(a)(8). Those duties include filing reports required by  
21 the Rules.

22 So we have an 1129(a)(3) problem, Your Honor, because this  
23 plan proponent has not complied with Chapter 11 and Title 11.  
24 I'll leave it at that, because I suspect, again, someone will  
25 accuse me of being trivial on that. It is not trivial. It is

1 a very important rule.

2 On the releases and exculpations, Your Honor, I'm not  
3 going to try -- I'm not going to hopefully repeat Mr. Draper.  
4 But there's a couple of huge things here with this exculpation  
5 that takes it outside of any possible universe of *Pacific*  
6 *Lumber*.

7 First, you have a nondebtor entity that is being  
8 exculpated. I understand the proposition that, during a  
9 bankruptcy case, the professionals of a bankruptcy case might  
10 be afforded some protection. I understand that proposition.  
11 But here you have Strand and its board that's a nondebtor.

12 The other thing you have that takes this outside of any  
13 plausible case law is that the Debtor is exculpated from  
14 business decisions, including post-confirmation. I understand  
15 that professionals in a case make decisions, and  
16 professionals, at the end of the case, especially if the Court  
17 is making findings about a plan's good faith, that  
18 professionals making decisions on how to administer an estate  
19 ought to have some protection.

20 That does not hold true for whether a debtor and its  
21 professionals should have protection for how they manage their  
22 business. GM cannot be exculpated for having manufactured a  
23 defective product and sold it during its bankruptcy case.

24 Here, I asked Mr. Seery whether this language in these  
25 provisions, talking about whether the administration of the



1 estate and the implementation of the plan includes the  
2 Debtor's management of those contracts and funds. He said  
3 yes. He said yes. So if you look at the exculpation  
4 provision, it is not limited in time. It affects, Your Honor,  
5 I'm quoting, it affects the implementation of the plan.  
6 That's going forward.

7 So you are exculpating the Debtor and its professionals  
8 from business decisions, including post-confirmation, from  
9 negligence. Well, isn't negligence the number one protection  
10 that people that have invested a billion dollars with the  
11 Debtor have? It's cold comfort to hear, well, you can come  
12 after us for gross negligence or theft. I get that. What  
13 about negligence? Isn't that what professionals do? Isn't  
14 that why professionals have insurance, liability insurance?  
15 It's called professional negligence for malpractice.

16 So this exculpation, let there be no mistake -- I heard  
17 Your Honor's view and discussion -- this is a different  
18 universe, both in space and in time.

19 And we don't have to worry about *Pacific Lumber* too much  
20 because we have the *Dropbox* opinion in *Thru, Inc.* We have  
21 that opinion. Whether it's sound law or not, I don't wear the  
22 robe. But the exculpation provision in that case was  
23 virtually identical. And Your Honor, that's a 2018 U.S. Dist.  
24 LEXIS 179769. In that opinion, Judge Fish -- I don't think  
25 anyone could say that Judge Fish was not a very experienced

1 district court judge -- Judge Fish found that the exculpation  
2 violated Fifth Circuit precedent. That exculpation covered  
3 the debtor's attorneys, the debtor, the very people that Mr.  
4 Pomerantz is now saying, well, maybe the Fifth Circuit would  
5 allow an exculpation for.

6 THE COURT: Well, I think he is relying heavily on  
7 the analogy of independent directors to Creditors' Committee  
8 members, saying that's a different animal, if you will, than  
9 prepetition officers and directors. And he thinks, given the  
10 little bit of policy analysis put out there by the Fifth  
11 Circuit, they might agree that that's analogous and worthy of  
12 an exculpation.

13 MR. RUKAVINA: And they might. And they might. And  
14 again, I usually do debtor cases. You know that. I'd love to  
15 be exculpated.

16 THE COURT: But --

17 MR. RUKAVINA: And I think, again, I do -- I do --

18 THE COURT: -- I really want people to give me their  
19 best argument of why, you know, that's just flat wrong. And  
20 Mr. Draper just said it's, you know, there's a categorical --

21 MR. RUKAVINA: Yeah.

22 THE COURT: -- rejection of exculpations except for  
23 Committee members and Committee in *Pacific Lumber*. And I'm  
24 scratching my head on that one. And partly the reason I am,  
25 while 524(e) was thrown out there, the fact is there's nothing

1 explicitly in the Bankruptcy Code, right, that explicitly  
2 permits exculpation to a Committee or Committee members.  
3 There's just sort of this notion, you know, allegedly embodied  
4 in 1103(c), or maybe there are cases you want to cite to me,  
5 that they're fiduciaries, they're voluntary fiduciaries, they  
6 ought to have qualified immunity.

7 And again, I see it as more of a policy rationale the  
8 Fifth Circuit gave than pointing to a certain statute. So if  
9 it's really a policy rationale, then I think the analogy given  
10 here to a newly-appointed independent board is pretty darn  
11 good.

12 So tell me why I'm all wrong, why Mr. Pomerantz is all  
13 wrong.

14 MR. RUKAVINA: I am not going to tell you that you're  
15 all wrong. I'm not going to tell Mr. Pomerantz that he's all  
16 wrong. Although I am, I guess, a Dondero tentacle, I am not a  
17 Mr. Draper tentacle, and I happen to disagree with him.  
18 That's my right. I respect the man very much. I thought he  
19 did a very honorable and ethical job explaining his position  
20 to Your Honor. I believe that the Fifth Circuit would approve  
21 exculpations for postpetition pre-confirmation matters taken  
22 by estate fiduciaries. I do believe that they would. And I  
23 do believe that that should be the case.

24 But again, I'm telling you that this one is different.  
25 It's -- Mr. Pomerantz is misdirecting you. The estate

1 professionals manage the estate. The Debtor manages its  
2 business. It goes out into the world and it manages business.  
3 And as Your Honor knows, under that 1969 Supreme Court case,  
4 of course I blanked, and under 28 U.S. 959, a debtor must  
5 comply, when it's out there, with all applicable law.

6 So if the Debtor -- and I'm making this up, okay? I am  
7 making this up. I'm not alleging anything. But if the  
8 Debtor, through actionable neglect, lost \$500 million of its  
9 clients' or its investor clients' money, I'm telling you that  
10 under no theory can that be exculpated, and I'm telling you  
11 that that's what this provision does.

12 The estate and the Debtor can release their claims. It  
13 happens all the time. Whatever -- whatever claims the estate  
14 may have against professionals, those can be released. It's a  
15 9019. I'm not complaining about that. Although I do think  
16 that it's premature in this case, because we don't know  
17 whether there's any liability for the \$100 million that Mr.  
18 Seery told you Mr. Dondero lost. But in no event can business  
19 -- business --

20 THE COURT: I don't understand what you just said.

21 MR. RUKAVINA: Your Honor, I --

22 THE COURT: Mr. Dondero is not released --

23 MR. RUKAVINA: -- went through Mr. Seery's --

24 THE COURT: -- by the estate.

25 MR. RUKAVINA: I understand. I understand. But we

1 all have to also understand that a board of directors and  
2 officers can be liable, breaches of fiduciary duty by not  
3 properly managing an employee. So I'm not suggesting -- I  
4 mean, I know that there's been an examiner motion filed. I'm  
5 not suggesting that we have a mini-trial. I'm not suggesting  
6 there's actionable conduct. What I'm telling you is that the  
7 evidence shows that there's a large postpetition loss. And  
8 it's premature to prevent third parties that might have claims  
9 from bringing those.

10 And then I think -- I'm not sure that Your Honor  
11 understood my point. Let me try to make it again. This  
12 exculpation is not limited in time. This exculpation is  
13 expressly not limited in time and applies to the  
14 administration of the plan post-confirmation. I don't think  
15 under any theory would the Fifth Circuit or any court at the  
16 appellate level allow an exculpation for purely post-  
17 reorganization post-bankruptcy matters. I have nothing more  
18 to tell Your Honor on exculpation.

19 THE COURT: Well, again, I -- perhaps I go down some  
20 roads I really don't need to go down here, but I'm not sure I  
21 read it the way you did. I thought we were just talking about  
22 pre -- postpetition, pre-confirmation. Or pre-effective date.

23 MR. RUKAVINA: Your Honor, Page --

24 THE COURT: The --

25 MR. RUKAVINA: Page 48 of the plan, Section C,

1 Exculpation. Romanette (iv). The implementation of the plan.  
2 And I -- and that's -- that's part of why I asked Mr. Seery  
3 that yesterday. Does the implementation of the plan, in his  
4 understanding, include the Reorganized Debtor's management and  
5 wind-down of the Funds, and he said yes.

6 THE COURT: Okay.

7 MR. RUKAVINA: So that's right there in black and  
8 white.

9 It also includes the administration of the Chapter 11  
10 case. If that is defined broadly, as Mr. Seery wants it to  
11 be, to define business decisions, then that also exceeds any  
12 permissible exculpation.

13 So, again, I'm telling Your Honor, with due respect to you  
14 and to Mr. Pomerantz, that the focus of Your Honor's  
15 questioning is wrong. The focus of Your Honor's questioning  
16 should be on exculpation from what? From business -- i.e., GM  
17 manufacturing and selling the car -- or from management of the  
18 bankruptcy case? Management of the bankruptcy case? Okay.  
19 Postpetition pre-confirmation managing business, never okay.

20 Your Honor, on the channeling -- and let me add, I think  
21 it's very clear, there is no Barton Doctrine here. This is  
22 not a Chapter 11 trustee. The Barton Doctrine does not  
23 extend to debtors-in-possession. And I can cite you to a  
24 recent case, *In re Zaman*, 2020 Bankr. LEXIS 2361, that  
25 confirms that the Barton Doctrine does not apply to a debtor-

1 in-possession.

2 I want to --

3 THE COURT: Remind me of that --

4 MR. RUKAVINA: -- discuss, Your Honor, the --

5 THE COURT: Remind me of the facts of that case. I  
6 feel like I read it, but -- or saw it in the advance sheets,  
7 maybe.

8 MR. RUKAVINA: I honestly do not recall. I read it a  
9 few days ago, and since then, I hope Your Honor can  
10 appreciate, I've been up very late trying to negotiate  
11 something good in this case.

12 THE COURT: I'd like to know --

13 MR. RUKAVINA: So, I mean, I have the case in front  
14 of me.

15 THE COURT: I'd like to know about a holding that  
16 says Barton Doctrine can't be applied in a Chapter 11 post-  
17 confirmation context, if that's --

18 MR. RUKAVINA: Well, I have it --

19 THE COURT: -- indeed the holding.

20 MR. RUKAVINA: I have it right in front of me here,  
21 Your Honor, and I can certainly -- all I know is that this  
22 case held that -- it rejected the notion that the Barton  
23 Doctrine applies to a debtor-in-possession.

24 THE COURT: Okay.

25 MR. RUKAVINA: And maybe --

1 THE COURT: That --

2 MR. RUKAVINA: There it is, right there.

3 THE COURT: What judge?

4 MR. RUKAVINA: Your Honor, it is the Southern  
5 District of Florida, and it is the Honorable -- Your Honor, it  
6 is the Honorable Mindy Mora.

7 THE COURT: Okay.

8 MR. RUKAVINA: M-O-R-A.

9 THE COURT: Okay.

10 MR. RUKAVINA: I have not had the pleasure of being  
11 in front of that judge.

12 Your Honor, let me discuss the channeling injunction.  
13 This is the big one for me. This is the big one. And I think  
14 we have to begin -- and it's the big one, as I'll get to,  
15 because Your Honor knows that the CLO management agreements  
16 give my clients certain rights, and this injunction would  
17 prevent those rights from being exercised post-confirmation.  
18 It's not dissimilar from the PI hearing that we're in the  
19 middle of in an adversary.

20 But I begin my analysis, again, with 28 U.S.C. 959. Your  
21 Honor, that -- the first sentence of that statute makes it  
22 very clear that when it comes to carrying on a business, a  
23 debtor-in-possession may be sued without leave of the court  
24 appointing them.

25 So the first thing that this channel -- gatekeeper,



1 channeling, I don't mean to miscall it -- the first thing that  
2 this gatekeeping injunction does is it stands directly  
3 opposite to 28 U.S.C. 959.

4 28 U.S.C. 959 also says that jury rights must be  
5 preserved. As I'll argue in a moment, this injunction also  
6 affects those rights.

7 In addition to 959, we have the fundamental issue of post-  
8 confirmation jurisdiction. As Mr. Draper said, here, this  
9 channeling injunction applies to post-confirmation matters.  
10 Similar to my answer to you on exculpation, I can see there  
11 being a place for a channeling injunction during the pendency  
12 of a case or for claims that might have arisen during the  
13 pendency of a case. I cannot see that, and I don't know of  
14 any court that, at least at a circuit level, that would agree  
15 that this can apply post-confirmation.

16 It is, again, the equivalent of GM manufacturing a car  
17 post-confirmation and having to go to bankruptcy court because  
18 someone's wanting to sue it for product negligence or  
19 liability. It's unthinkable. The reason why a debtor exits  
20 bankruptcy is to go back out into the community. It's no  
21 longer under the protection of the bankruptcy court. That's  
22 what the media calls Chapter 11, it calls it the protection of  
23 the court. There's no such protection post-reorganization.  
24 So, --

25 THE COURT: Is that really analogous, Mr. Rukavina?

1 Let's get real. Is this really analogous --

2 MR. RUKAVINA: It is.

3 THE COURT: -- to GM --

4 MR. RUKAVINA: It is.

5 THE COURT: -- manufacturing thousands of cars?

6 MR. RUKAVINA: It absolutely is analogous. Because  
7 this Debtor is going to assume these contracts and it is going  
8 to go out there and it is going to make daily decisions  
9 affecting a billion dollars of other people's money. Each of  
10 those decisions hopefully will be done correctly and make  
11 everyone a lot of money, but each of those decisions is the  
12 potential for claims and causes of action.

13 So it is analogous, Your Honor. They want my clients and  
14 others to come to you for purely post-confirmation matters.  
15 The Court will not have that jurisdiction. There will be no  
16 bankruptcy estate, nor can the Court's limited jurisdiction to  
17 ensure the implementation of the plan go to and affect a post-  
18 confirmation business decision.

19 That's the distinction. The Debtor's post-confirmation  
20 business is not the implementation of a plan. As Mr. Draper  
21 said, there's a new entity. There's a new general partner.  
22 There's a new structure. Go out there and do business,  
23 Debtor. That's what they're telling you. They're telling you  
24 this is not a liquidation because they're going to be in  
25 business. Okay. Well, the consequence of that is that

1 there's no post-confirmation jurisdiction.

2 Now, Mr. Pomerantz says, and I think you asked Mr. Draper,  
3 well, the jurisdiction to adjudicate whether something is  
4 colorable is different from the jurisdiction to adjudicate the  
5 underlying matter. Your Honor, I don't understand that  
6 argument, and I don't see a distinction. If the Court has no  
7 jurisdiction to decide the underlying matter, then how can the  
8 Court have any jurisdiction to pass on any aspect of that  
9 underlying matter?

10 And whether something is colorable is a fundamental issue  
11 in every matter. That's the thing that courts look at in a  
12 12(b)(6), in a Rule 11 issue, in a 1927 issue. So they're  
13 going to come -- or someone is going to have to come to Your  
14 Honor and present evidence and law that something is  
15 colorable. Let's say that we've said there's a breach of  
16 contract. Aren't we going to have to show you, here's the  
17 contract, here's the language, here's the facts giving rise to  
18 the breach, here's the elements? And Your Honor is going to  
19 have to pass on that. And if Your Honor decides that  
20 something is not colorable, then there ain't no step two.

21 And if Your Honor decides that something is colorable,  
22 then isn't that going to be binding on the future proceeding?  
23 And if it's going to be binding on the future proceeding, then  
24 of course you're exercising jurisdiction to adjudicate an  
25 aspect of that lawsuit.

1 I don't think that that -- I don't know I can be clearer  
2 than that, Your Honor, unless the Debtor has some other  
3 understanding of what a colorable claim or cause of action is  
4 that I'm misunderstanding.

5 And Your Honor, I would ask, when Your Honor is in  
6 chambers, to look at one of these CLO management agreements.  
7 I'm sure Your Honor has already. I just pulled one out of the  
8 Debtor's exhibits, Exhibit J as in Jason. And Section 14, 14  
9 talks about termination for cause. Most of these contracts  
10 are for cause. So, Your Honor, cause includes willfully  
11 breaching the agreement or violating the law, cause includes  
12 fraud, cause includes a criminal matter, such as indictment.

13 So let's imagine, Your Honor, that I come to you a year  
14 from now and I say, I would like to terminate this agreement  
15 because I don't want the Debtor managing my \$140 million  
16 because of one of these causes. What am I going to argue to  
17 Your Honor? I'm going to argue to Your Honor that those  
18 causes exist. And Your Honor is going to have to pass on  
19 that.

20 And if Your Honor says they don't exist, again, I'm done.  
21 I just got an effective final ruling from a federal judge that  
22 my claim is without merit. I'm done. Your Honor has decided  
23 the matter effectively, legally, and finally.

24 That's why, when Mr. Pomerantz says that the jurisdiction  
25 to adjudicate the colorableness of a claim is different from

1 adjudicating that claim, it's not correct. They're part of  
2 the same thing, Your Honor.

3 We strenuously object to that injunction, we think it's  
4 unprecedented, and we strenuously object to that injunction  
5 because we are not Mr. Dondero.

6 I understand the January 9th order. I'll let Mr.  
7 Dondero's counsel talk about why that was never intended to be  
8 a perpetual order. I'll let Mr. Dondero's counsel argue as to  
9 why the extension of that order *ad infinitum* in the plan is  
10 illegal.

11 But even if Mr. Dondero is enjoined in perpetuity from  
12 causing the related parties to terminate these agreements,  
13 Your Honor, the related parties themselves are not subject to  
14 that injunction. That's why you have the preliminary  
15 injunction proceeding impending in front of you on ridiculous  
16 allegations of tortious interference.

17 So whether the Court enjoins Mr. Dondero or not in  
18 perpetuity is a separate matter. The question is, as you've  
19 heard, at least my retail clients, they have boards. Those  
20 boards are the final decision-makers. Mr. Dondero is not on  
21 those boards.

22 In other words, it is wrong to conclude *a priori* that  
23 anything that my clients do has to be at the direction of Mr.  
24 Dondero. There is no evidence of that. The evidence is to  
25 the contrary.

1 Yes, a couple of my clients, the Advisors are controlled  
2 by Mr. Dondero. Mr. Norris testified to that. You'll not  
3 find Mr. Norris anywhere testifying in that transcript that  
4 Your Honor allowed into evidence that the funds, my retail  
5 fund clients are controlled by Mr. Dondero. You won't find  
6 that evidence. There was no evidence yesterday or today that  
7 Mr. Dondero controls those retail funds. The only evidence is  
8 that they have independent boards.

9 So I ask the Court to see that it's a little bit of a  
10 sleight of hand by the Debtor. If I am to be enjoined or if I  
11 am to have to come to Your Honor in the future as a vexatious  
12 litigant or a tentacle or a frivolous litigant, whatever else  
13 I've been called today, then let it be because of something  
14 that I've done or failed to do, something that my client has  
15 done to warrant such a serious remedy, not something that Mr.  
16 Dondero is alleged to have done.

17 And what have my clients done, Your Honor? What have we  
18 done to be called vexatious litigants and serial litigants?  
19 We've done nothing in this case, pretty much, until December  
20 16th, when we filed a motion that was a poor motion,  
21 unfortunately, the Court found it to be frivolous, and the  
22 Court read us the riot act.

23 We refused, on December 22nd, we, my clients' employees,  
24 to execute two trades that Mr. Dondero wanted us to execute.  
25 We had no obligation to execute them. We knew nothing about

1    them.   And Mr. Seery -- I'm sorry.   Not Mr. Dondero, that Mr.  
2    Seery wanted to execute.   And Mr. Seery closed those  
3    transactions that same day.   And then a professional lawyer at  
4    K&L Gates, a seasoned bankruptcy lawyer, sent three letters to  
5    a seasoned professional lawyer at Pachulski, and the letters  
6    were basically ignored.

7           Okay.   Those are the things that we've done.   Other than  
8    that, we've defended ourselves against a TRO, we've defended  
9    ourselves against a preliminary injunction, we will continue  
10   to defend ourselves against a preliminary injunction, and we  
11   defend ourselves against this plan because it takes away our  
12   rights.   Is that vexatious litigation?   Is that, other than  
13   the frivolous motion, is that frivolous litigation?

14           And we heard you loud and clear when you read us the riot  
15   act on December 16th.   And I will challenge any of these  
16   colleagues here today to point me to something that we have  
17   filed since then that is in any way, shape, or form arguably  
18   meritless.

19           So where is the evidence that my retail funds are  
20   tentacles or vexatious litigants or anything else?   There is  
21   no evidence, Your Honor, and the Debtor is doing its best to  
22   give you smoke and mirrors to just make that mental jump from  
23   Mr. Dondero to my clients, effectively an alter ego, without a  
24   trial on alter ego.

25           Once these contracts are assumed, the Debtor must live

1 with their consequences. It's as simple as that. Your Honor  
2 has so held. Your Honor has so held forcefully in the *Texas*  
3 *Ballpark* case. And the Court, I submit respectfully, cannot  
4 excise by an injunction a provision of a contract.

5 Also, this injunction will -- is a permanent injunction.  
6 We know from *Zale* and other cases the Fifth Circuit does  
7 permit certain limited plan injunctions that are temporary in  
8 hundred-cent plans. This is a permanent one. It doesn't even  
9 pretend to be a temporary one.

10 It's also a permanent one because the Debtor knows and I  
11 think the Debtor is banking on me being unable to get relief  
12 in the Fifth Circuit before Mr. Seery is finished liquidating  
13 these CLOs.

14 So what we are talking about today is effectively excising  
15 valuable and important negotiated provisions of these  
16 contracts, provisions that, although my clients are not  
17 counterparties to these contracts, you've heard from at least  
18 three of them we do control the requisite vote, the voting  
19 percentages, to cause a termination, to remove the Debtor, or  
20 to seek to enforce the Debtor's obligations under those  
21 contracts.

22 And again, Your Honor, it's very simple. Where those  
23 contracts require cause, there either is cause or is not  
24 cause. If there is not cause, the Debtor has its remedies.  
25 If there is cause, I'll have my remedies. But it's not for



1 this Court post-confirmation to be making that determination.  
2 That's not my decision. That's Congress's decision.

3 So, Your Honor, for those reasons, we object, and we  
4 continue to object, and we'd ask that the Court not confirm  
5 this plan because it is patently unconfirmable. Or if the  
6 Court does confirm the plan, that it excise those provisions  
7 of the releases, exculpations, and injunction that I just  
8 mentioned as being not in line with the Fifth Circuit or  
9 Supreme Court precedent.

10 Thank you.

11 THE COURT: All right. Can I -- I meant to ask Mr.  
12 Draper this. Can we all agree that we do not have third-party  
13 releases *per se* in this plan? Can we all agree on that?

14 MR. DRAPER: I don't know. I have to look at that.  
15 I think what you have are exculpations and channeling  
16 injunctions for third parties who have not paid for those  
17 channeling injunctions or those exculpations.

18 THE COURT: All right.

19 MR. RUKAVINA: Your Honor, was that question -- was  
20 that question solely to Mr. Draper?

21 THE COURT: Well, no, it was to all of you. I  
22 thought we could all agree that we don't have third party  
23 releases *per se*. Okay. There was --

24 MR. RUKAVINA: Your Honor, we --

25 THE COURT: -- a little bit of glossing over that in

1 some of the briefing, I can't remember whose. But we have  
2 Debtor releases, we have --

3 MR. RUKAVINA: Yes.

4 THE COURT: -- exculpations that deal with  
5 postpetition negligence only, we have injunctions, which I  
6 guess the Debtor would say merely serve to implement the plan  
7 provisions and are commonplace, but Mr. Draper would say maybe  
8 are tantamount to third-party releases. Is that --

9 MR. RUKAVINA: Your Honor, I don't think --

10 THE COURT: -- where we are?

11 MR. RUKAVINA: -- there's any question -- I don't  
12 think there's any question that the exculpation is a third-  
13 party release, and that that's also what Judge Fish held in  
14 the *Dropbox* case. It says that none of the exculpated parties  
15 shall have any liability on any claim. So, --

16 THE COURT: All right.

17 MR. RUKAVINA: -- that necessarily --

18 THE COURT: I get what you're saying, but I just  
19 think, in common bankruptcy lingo, most people regard a third-  
20 party release as when third parties are releasing -- third  
21 parties meaning, for example, creditors, interest holders --  
22 are releasing officers and directors and other third parties  
23 for anything and everything.

24 Exculpation, I get it, it's worded in a passive voice, but  
25 it is third parties releasing third parties, but for a narrow

1 thing, postpetition conduct that is negligent. Okay. So I  
2 think -- while there's technically something like a third-  
3 party release there, it's not in bankruptcy lingo what we call  
4 a third-party release. It's an exculpation means no liability  
5 of the exculpated parties for postpetition conduct that's  
6 negligent. So I -- anyway, I think we all agree that, I mean,  
7 can we all agree there aren't any *per se* third-party releases  
8 as that term is typically used in bankruptcy parlance?

9 MR. RUKAVINA: I apologize, Your Honor, and I'm not  
10 trying to try your patience, but I cannot agree to that.  
11 Whatever claims my client, a nondebtor, has against Strand, a  
12 nondebtor, are gone. Whether it's a release or exculpations,  
13 they're gone. So I apologize, I cannot agree to that, Your  
14 Honor.

15 MR. DRAPER: Your Honor, this is Douglas Draper. I  
16 can't agree, either. I think it's definitional. And quite  
17 frankly, I think I'm looking at the functional effect of  
18 what's here, and they appear to be third-party releases.

19 THE COURT: Okay. All right. Who is making the  
20 argument for Mr. Dondero?

21 MR. TAYLOR: Your Honor, Clay Taylor appearing on  
22 behalf of Mr. Dondero.

23 THE COURT: Okay.

24 CLOSING ARGUMENT ON BEHALF OF JAMES D. DONDERO

25 MR. TAYLOR: Your Honor, first of all, as this Court

1 is well aware, this Court sits, as a bankruptcy court, as a  
2 court of equity. It has many different tools available to it.  
3 One of those, of course, is denying confirmation of this plan  
4 because of the laws that we have discussed today and that we  
5 believe the evidence has shown, and I won't go into those. Of  
6 course, of course, Your Honor could confirm that plan. Yet  
7 another tool available to this Court is it can take it under  
8 advisement.

9 To the extent that this Court decides to confirm this plan  
10 and decides to confirm it today, it certainly takes a lot of  
11 options off the table for all parties. There are ongoing  
12 discussions, I'm not going to go into any of the particulars  
13 of those discussions, but a ruling on confirmation today would  
14 effectively end that, because, absent, then, an order vacating  
15 confirmation, there's a lot of eggs that can't become  
16 unscrambled after a confirmation order is entered.

17 So we would respectively ask that, to the extent that the  
18 Court is even considering confirmation, we don't believe it to  
19 be appropriate, but at least take it under advisement for 30  
20 days, or at least, in the very alternative, that it announce  
21 some date which it is going to give a ruling, so that we kind  
22 of know when that is going to come down, to see if any  
23 positive ongoing discussions can result in more of a global  
24 resolution that all parties can agree upon.

25 Addressing more the merits of the case, Your Honor, Mr.

1 Dondero does indeed object to the nondebtor releases, the  
2 exculpations, the injunction. I believe those have been  
3 covered rather extensively in the prior argument, so I wasn't  
4 going to go into those here because they've been addressed.  
5 Of course, I will endeavor to answer any questions that Your  
6 Honor may have on those.

7 I will say I think Your Honor asked for everybody's best  
8 shot as to why this is different for a Committee member versus  
9 the independent trustees here. I will say my best shot is,  
10 first of all, *Pacific Lumber* says what it says. I believe Mr.  
11 Pomerantz has indicated their position that that language is  
12 dicta and therefore not binding upon this Court. I  
13 respectfully disagree with that. But to the extent, more  
14 directly answering Your Honor's question, to me, the  
15 difference is clear. Chapter 7 trustees are a creature of  
16 statute. So are Chapter 11 trustees. And -- as are members  
17 of a Committee that are seated pursuant to the Bankruptcy  
18 Code. Those are all creatures of statute. And the  
19 independent board of trustees, while there are certainly --  
20 there are some analogies that can be made, undoubtedly, but  
21 they are not a creature of statute. There is no provision for  
22 them under the Bankruptcy Code. And therefore I don't believe  
23 that they should and can receive the same protections under  
24 *Pacific Lumber*.

25 And so hopefully that -- that is my best shot at

1     answering, directly answering the question that Your Honor  
2     posed.

3                 THE COURT:    Okay.

4                 MR. DRAPER:   Mr. Dondero also has issue with the  
5     overbroad continuing jurisdiction of this Court.   I believe  
6     Mr. Rukavina has stated that rather succinctly, too.   Merely  
7     ruling upon whatever claim is colorable or not certainly has  
8     definite impacts.   If this Court has jurisdiction to do that  
9     when it otherwise wouldn't have jurisdiction, it enacts an  
10    expansion, a potentially impermissible expansion of this  
11    Court's jurisdiction.   And for that reason, the plan should --  
12    confirmation should be denied.

13                Getting into the particulars of 1129, Your Honor, there is  
14    problems under 1129(a)(2).   Those are the solicitation  
15    problems.   Let's just kind of look at what the evidence  
16    showed.   On November 28th, there was a disclosure statement,  
17    it was published to all creditors, and it said, under this  
18    plan, you're going to get 87 cents.   It wasn't a range.   Now,  
19    there was some assumptions that went in there, but they said,  
20    under a liquidation of all these assets, you're going to get  
21    62 cents.

22                The Debtors came back approximately two months later, on  
23    January 28th, and said, oh, wait, we missed the boat here, and  
24    actually, under the plan, you're going to get 61 cents.   And  
25    under a liquidation, though, you'd only get 48.

1 Well, the problem is, already, two months later, they've  
2 already told you they missed the boat on what the liquidation  
3 analysis was just two months ago. And two months ago, they  
4 told you under a liquidation you'd get 62 cents, and now we're  
5 telling you you're going to get less. That's at least some  
6 very good evidence that the best interests of the creditors  
7 isn't being met, and potentially a liquidation is much better.

8 They then came back, potentially maybe realizing that  
9 problem, also because some new information came in with the  
10 employees, and also with UBS, which adjusted the overall  
11 general unsecured claims pool, and said, well, under the plan  
12 you're going to get 71 cents, and under a liquidation you're  
13 going to get 55 cents.

14 In between those iterations from November to February,  
15 they found \$67 million more in assets. So Mr. Seery testified  
16 he believed some of that's as to market increases in values,  
17 and some (garbling) investment, market -- securities. And  
18 some were just in these private equity investments.

19 There are indeed some rollups behind all of these numbers.  
20 I do understand why they wouldn't want to make some of these  
21 numbers public, because they might not be able to get --  
22 create the upside for any particular asset class that they're  
23 seeking to monetize.

24 However, we and others, including Mr. Draper, asked for  
25 those rollups to be provided, and we certainly could have

1 taken those under seal or a confidentiality agreement, could  
2 have also put those before this Court under seal and the  
3 Debtor could have put those rollups before this Court under  
4 seal. It elected not to do so.

5 So, rather, what you have is the naked assumptions of this  
6 is what we think we can monetize the assets, or we're not  
7 going to tell you what it is, but trust me, Creditors, and  
8 cool, we found \$67 million worth of value in the past two  
9 months, so therefore we're going to beat the liquidation  
10 analysis that we previously told you just two months ago.

11 They also acknowledge that, in those two months, that  
12 there was going to be about \$26 million in increased costs  
13 from their November analysis to their February analysis. And  
14 they included that in their projections.

15 Finally, they acknowledged, in those two months, that we  
16 had previously estimated -- and they even have it in their  
17 assumptions in November liquidation and plan analysis -- that  
18 UBS, HarbourVest, and I believe it was Acis, were all going to  
19 be valued at zero dollars, and that's what the claims were  
20 going to be. Well, they kind of missed the boat on those, and  
21 they missed it by a lot. They -- it increased all the claims  
22 in the pool from \$195 million to \$273 million, or sorry, I  
23 don't -- look at that again, but it was an increase of \$95  
24 million. I'm sorry, 190 -- the claims pool increased from  
25 \$194 million to -- I'm sorry, Your Honor, I have too many



1 papers in front of me -- on November, the claims pool was 176  
2 and it increased by February 1st to 273. Therefore,  
3 approximately \$95, almost \$100 million worth of claims that  
4 they weren't anticipating that actually came in.

5 That tells you about the quality of the assumptions that  
6 went into the analysis to begin with. They missed it by 50  
7 percent on what the overall claims pool was going to be.  
8 That's significant. It's material.

9 There is a lot of other assumptions that could go into  
10 this document, and one of those assumptions are how much are  
11 we going to be able to monetize these assets for? One other  
12 assumption is, well, how much is it going to cost during the  
13 two-year life of this wind-down? Another assumption is going  
14 to be, are we actually going to be able to wind down in two  
15 years? Because if we're not, well, guess what, all those  
16 costs are going to go up. Another assumption is, well, how  
17 much are those fee claims going to be over the two-year  
18 period? Again, if it goes over two years, they're going to be  
19 significantly higher. Moreover, you might have just missed  
20 what the burn rate is.

21 So I think it's rather telling that the assumptions made  
22 of -- all the way back of over two -- of only two months ago  
23 were off by \$100 million, and therefore it skewed all of the  
24 plan-versus-liquidation analysis all over the board.

25 That's the only evidence that the Debtor has put forth as

1 to why it's in the best interest of the creditors. And quite  
2 frankly, we don't believe they have met their burden. And it  
3 is their burden to prove to Your Honor that the plan is better  
4 than what a Chapter 7 trustee will -- can do.

5 What the evidence does show, as far as what the plan would  
6 do as compared to a hypothetical Chapter 7 trustee, is that we  
7 know for sure that the Claimant Trust base fee, just over the  
8 two years, is going to be \$3.6 million.

9 (Interruption.)

10 MR. TAYLOR: I'm sorry.

11 THE COURT: Someone needs to put their device on  
12 mute. I don't know who that was.

13 MR. TAYLOR: Oh, I'm sorry. I thought you said  
14 something, Your Honor.

15 THE COURT: No.

16 MR. TAYLOR: So what we do know is the Claimant  
17 Trustee base fee is going to be \$3.6 million. What we don't  
18 know and what was not put into evidence because they are still  
19 negotiating it is there's going to be a bonus fee on top of  
20 that that's going to be paid to Mr. Seery. Is that \$2  
21 million? Is that \$4 million? Is that \$10 million? Well, we  
22 don't know. We can't perform that analysis as compared to  
23 what a hypothetical Chapter 7 trustee could be. Nor can Your  
24 Honor, based upon the evidence presented.

25 And quite frankly, I don't see how one could ever conclude

1 -- and there are some other unknowns that we're about to go  
2 over, including the Litigation Trust base fee and there are  
3 collection fees, contingency fees. Those are also to be  
4 negotiated. To be negotiated and unknown. You can't perform  
5 the analysis. The Debtor couldn't perform the analysis  
6 because those are to be negotiated, so you can't tell whether  
7 a Chapter -- hypothetical Chapter 7 trustee might come out  
8 better because he's not going to incur all these costs. We  
9 know that they're going to incur D&O costs.

10 THE COURT: Let me interject right now.

11 MR. TAYLOR: Sure.

12 THE COURT: Again, I'm going to go back to  
13 understanding who your client is arguing for. Okay? Again,  
14 as we've said before, Mr. Pomerantz did not technically say no  
15 standing, but he thought it was important to point out the  
16 economic interests that our Objectors either have or don't  
17 have. Okay?

18 So I'm looking through my notes to see exactly what the  
19 Dondero economic interest is. I have something written in my  
20 notes, but I'm going to let you tell me. Tell me what his  
21 economic interests are with regard to this Debtor, this  
22 reorganization.

23 MR. TAYLOR: Your Honor, I believe he has been placed  
24 into Class 9, Subordinated Claims. So to the extent that  
25 there is recovery available to Class 9, he can recover on

1 those claims.

2 THE COURT: But what proof of claim --

3 MR. TAYLOR: We also have --

4 THE COURT: What proof of claim does he have pending  
5 at this juncture?

6 MR. TAYLOR: Your Honor, I would have to go back and  
7 look. I don't have the proofs of claim register in front of  
8 me. And I'm sorry, if I tried to speculate, I would be doing  
9 a disservice to my client and this Court by trying to  
10 speculate. I did not prepare those proofs of claim. People  
11 in my firm did. But I would be merely speculating if I tried  
12 to give you an answer off the spot. And I apologize. I'm  
13 happy to submit a post-confirmation hearing letter --

14 THE COURT: No, no, no.

15 MR. TAYLOR: -- as to that.

16 THE COURT: I'm not going to allow one more piece of  
17 paper in connection with confirmation. I thought you would be  
18 able to answer that.

19 MR. TAYLOR: I'm sorry. I just don't want to lie to  
20 Your Honor.

21 THE COURT: What about his -- what would be an  
22 indirect equity interest?

23 MR. TAYLOR: Well, again, there are a lot of people  
24 that know this org chart a lot better than me. This is me  
25 going on hearsay myself. But I understand he also owns a lot

1 of indirect interests in subsidiaries, some of which are  
2 majority, some of which are minority, and some of which he  
3 owns maybe directly, some of which through other entities. So  
4 the way in which these assets could be monetized at the sub-  
5 debtor level could certainly impact his economic rights and  
6 could impact him greatly. For instance, if the --

7 THE COURT: I really wanted an exact answer.

8 MR. TAYLOR: Mr. Seery --

9 THE COURT: I really wanted an exact answer, not just  
10 he has an indirect interest in, you know, some of the 2,000 --  
11 I'm not going to say tentacles, but --

12 I'm going to interrupt briefly, because I really want to  
13 nail down the answer as best I can. Mr. Pomerantz, can you  
14 just remind me of what your answer was or statement was  
15 regarding Mr. Dondero, individually, his economic stake in all  
16 this?

17 MR. POMERANTZ: He has an indemnification claim  
18 that's been objected to, --

19 THE COURT: That's the one and only --

20 MR. POMERANTZ: -- although it's not before --

21 THE COURT: That's the one and only pending proof of  
22 claim, right?

23 MR. POMERANTZ: That's my understanding. And while  
24 it's not before the Court, we could all imagine whether Mr.  
25 Dondero's going to be entitled to indemnification.

1 He has an interest in Strand, which is the general  
2 partner.

3 THE COURT: Right.

4 MR. POMERANTZ: And Strand owns a quarter-percent --  
5 a quarter of one percent of the equity. I believe that is all  
6 of Mr. Dondero's economic interest in the Debtor.

7 THE COURT: Okay. So, again, I'm just trying to, you  
8 know, understand who he's looking out for, for lack of a  
9 better way of saying it, Mr. Taylor, in making these  
10 arguments.

11 MR. TAYLOR: So, there is also, and this is -- I'm  
12 not involved in what are these going to be filed collection  
13 suits, or some of which have been filed, some of which have  
14 not been filed, none of which I believe the answer date has  
15 been -- has passed or come to be yet.

16 But he is also a defendant in collection suits on these  
17 notes, as you are undoubtedly aware.

18 THE COURT: Okay. He's a defendant in adversary  
19 proceedings. Okay? That makes him a party in interest to --  
20 well, I keep -- that makes him have standing to make an  
21 1129(a)(7) argument? That's why I'm going down this trail.  
22 Because you've spent the last five minutes talking about, you  
23 know, creditors could do better in a Chapter 7 liquidation.  
24 I'm not sure he has standing to make that argument, so I'm  
25 wanting you to address that squarely.

1 MR. TAYLOR: Your Honor, I believe he has economic  
2 interests up and down the capital structure. And I cannot  
3 describe to you, without wildly speculating and potentially  
4 lying to this Court, which I'm not going to do, without some  
5 time to have looked at that, because I was -- I was not  
6 involved in the proofs of claim and I am not his accountant.  
7 So I could not do that without wildly speculating, so I just  
8 -- I would like to more directly answer your question, Your  
9 Honor. I am not trying to avoid the question. But I can't  
10 honestly answer your question with true facts as we sit here  
11 right now.

12 THE COURT: All right. But do you agree or disagree  
13 with me that only parties -- the only parties that really can  
14 make an 1129(a)(7) argument are holders of claims or interests  
15 in impaired classes?

16 MR. TAYLOR: Your Honor, I believe that Mr. Dondero  
17 has standing to do so by virtue of claims for indemnification  
18 --

19 THE COURT: Okay.

20 MR. TAYLOR: -- if these -- if these -- if this  
21 Debtor (indecipherable) able to meet its obligations to  
22 indemnify him. And some of those are significant claims that  
23 are being brought against him that could total millions, if  
24 not tens of millions of dollars, just in defense costs alone,  
25 that I do believe give some standing.

1 THE COURT: Okay. So, assuming you're right, you  
2 think the evidence does not show this is better than a Chapter  
3 7 liquidation where we would have a stranger trustee come in  
4 and just, yeah, I guess, cold-turkey liquidate it all.

5 MR. TAYLOR: Your Honor, I do believe that the  
6 evidence shows that the Debtor hasn't met its burden as to  
7 this. A Chapter 7 trustee doesn't necessarily have to  
8 liquidate immediately. It can run these -- these assets. I  
9 mean, Mr. Seery is going to do it with ten people. At one  
10 time, just two months ago, he said he was going to do it with  
11 three people. A Chapter 7 trustee could certainly have a  
12 limited runway, or even an extended runway, if it so asked for  
13 it, to liquate these Debtors.

14 Moreover, there would be at least the requirements that  
15 the Chapter 7 trustee would request the sale, tell creditors  
16 about it. And, as many courts have said, the competitive  
17 bidding process is the best way to make sure that you ensure  
18 the highest and best offer that you can get.

19 Mr. Seery has not committed to providing notice of sales  
20 to creditors and other parties in interest, potentially  
21 bringing them in as bidders. They -- he could name a stalking  
22 horse, but he has not indicated any desire to do so. A  
23 Chapter 7 trustee would endeavor to do so.

24 So I do believe that there are some advantages. And  
25 you've heard no testimony that they've performed any analysis



1 or conducted any interviews with any Chapter 7 trustees as to  
2 whether or not this was possible or not. They just made the  
3 naked assumption that they would do work based upon what they  
4 said was their experience. And Mr. Seery's deposition, when  
5 it was taken and noticed as a 30(b)(6) deposition, and I  
6 believe it has been entered into evidence here, he said the  
7 last time he dealt with a Chapter 7 trustee was 11 or 13 years  
8 ago, and it was the *Lehman* case, and that was the -- a SIPC  
9 trustee. So --

10 THE COURT: Well, --

11 MR. TAYLOR: -- that's the last time he had any  
12 experience with it.

13 THE COURT: -- again, I don't mean to belabor this  
14 point, just like I didn't mean to belabor a few others. But,  
15 you know, there is a mechanism, yes, in Chapter 7, Section  
16 704, for a trustee to seek court authority to operate a  
17 business. But it's not a statute that contemplates long-term  
18 operation. Okay? It's just, oh, we've got a little bit of --  
19 you know, we have some assets here that really require a  
20 short-term operation here.

21 If it's long-term, then you convert to Chapter 11. Okay?  
22 It's just a temporary tool, Section 704. Right? Would you  
23 agree with me?

24 MR. TAYLOR: That's typically how it has been used.

25 THE COURT: Okay.

1 MR. TAYLOR: But that's not to say that it's limited  
2 in time by the statute itself. It doesn't say that it can't  
3 go for one year or two years. That can be a short wind-down  
4 period.

5 THE COURT: But hasn't your client's argument been  
6 this past several weeks that Mr. Seery is moving too fast,  
7 he's wanting to sell things and he needs to hold them longer?  
8 I mean, these two argument seem inconsistent to me.

9 MR. TAYLOR: So, just because a Chapter 7 trustee has  
10 been appointed doesn't mean that he has to sell them any  
11 faster than Mr. Seery.

12 I think what the -- the problem with the process that has  
13 been going on with Mr. Seery, my client's problem with it, is  
14 not necessarily the timing but the process that Mr. Seery is  
15 going through with these sales. Provide notice, allow more  
16 bidders to come in, make sure that he's getting the highest  
17 and best price. And if that happens to be Mr. Dondero who  
18 offers the highest and best price, great. And if Mr. Dondero  
19 gets outbid by somebody, well, that's all the more better for  
20 the estate.

21 THE COURT: Okay. Continue your argument.

22 MR. TAYLOR: I believe we covered a lot of it, Your  
23 Honor, and the plan analysis is all based upon their  
24 assumptions that there's \$257 million worth of value. Again,  
25 there's no rollup provided as to how that asset allocation is

1 broken out, but they consist of a couple of items.

2 First, there's the notes; and second, there's the assets.  
3 The notes are either long-term or demand notes. Those long-  
4 term notes, Mr. Seery will tell you some have been validly  
5 accelerated and therefore are now due and payable. I think  
6 there's arguments to the contrary. But those long-term notes  
7 probably have some both time value of money and collection  
8 costs. And then, of course, you have to discount them by  
9 collectability issues, too.

10 I don't believe any analysis went into it, or at least the  
11 Court was not provided any data or analysis as to what  
12 discounts were applied to those notes. And, therefore, I  
13 don't think that this Court can make any determination that  
14 the best interests of the creditors have been met.

15 As far as the assets that are to be monetized, again,  
16 there's two sub-buckets of those assets. There's securities  
17 that are to be sold. Some of those are semi-public securities  
18 that have markets. Those are somewhat more readily  
19 ascertained. The others are holdings in private equity  
20 companies, and sometimes holdings in companies that own other  
21 companies.

22 There's no evidence of the value -- empirical evidence of  
23 the value of those companies, nor of the assumptions that went  
24 into as to when they should be sold, how much they'd be sold  
25 for.

1 Again, I do realize the sensitive nature of such  
2 information, but that could have been placed under seal. And  
3 without that information, I don't believe that the Court can  
4 conduct the due diligence it's necessary to say the best  
5 interest of the creditors have been met.

6 To sum up, Your Honor -- oh, I'm sorry. One other point  
7 that I did want to talk about before I summed up is, you know,  
8 Mr. Pomerantz and I were listening to a different record or I  
9 was totally confused as to the testimony that was put forth  
10 regarding the directors and officers. I believe the testimony  
11 in the record is extremely clear that the Debtor made no  
12 effort to go out and find out if it could obtain directors and  
13 officers insurance without a gatekeeping injunction or a  
14 channeling injunction, whatever you want to call it. I  
15 believe that his testimony was extremely clear. He didn't  
16 shop it. He doesn't know. And that's what the record is  
17 before this Court.

18 To the extent that the Debtor wants to rely upon we can't  
19 get Debtor -- or, directors and officers insurance because  
20 without this gatekeeping function we just can't get it, I  
21 believe the record just wholly does not support that. The  
22 testimony was at least extremely clear, as how I heard it.  
23 Your Honor will have to review the record herself, but I don't  
24 believe that there was much argument about it.

25 I'm sure -- as I stated in the beginning, Your Honor, this

1 is a court of equity. It could deny confirmation, as I  
2 believe Your Honor should, based upon the flaws in the plan.

3 If Your Honor finds that the plan as written is  
4 impermissible because of any of the exculpation or the  
5 gatekeeping functions that they're asking, the testimony is  
6 equally clear that the independent directors would not serve  
7 in -- as officers of the Reorganized Debtor. Any plan that is  
8 put forth by the Debtor has to tell the people who are going  
9 to be officers going forward. And with that naked testimony  
10 before the Court, that it's simply not feasible, and I don't  
11 think it is one of the possible -- where the Court can come  
12 back and say, well, I can't confirm this plan as written, but  
13 if you change it and rewrite it to get rid of the certain  
14 offensive parts of the exculpation or the gatekeeping  
15 functions, then we can confirm this plan. And I think the  
16 evidence before this Court is it's not feasible because none  
17 of the directors will serve in that capacity, and therefore  
18 this plan should be dead on arrival if Your Honor agrees the  
19 proposed provisions do not meet *Pacific Lumber*.

20 We would ask the Court to deny confirmation, but in the  
21 alternative, to at least take this under advisement. Give us  
22 a time frame -- we'd ask for 30 days -- but give us a time  
23 frame of when the Court is going to rule, to allow the  
24 positive conversations to move forward.

25 To that end, Your Honor, there is, indeed, a hearing on

1 the extension of a temporary injunction and contempt that is  
2 scheduled for Friday. I understand that the parties, at least  
3 the joint parties, will not -- will agree to, I'm sorry, will  
4 agree to the extension of the temporary injunction until such  
5 time as the Court can rule on confirmation. I do see that  
6 there could be a lot of harm done at the Friday hearing. We  
7 would ask that the Court additionally continue that hearing on  
8 that motion and on the injunction, and contempt, until such  
9 time as confirmation has been ruled upon. It will be both  
10 efficient and allow discussions to continue regarding  
11 potential global resolution.

12 And so that is the end of my argument, Your Honor.

13 THE COURT: All right. Thank you. All right. Mr.  
14 Pomerantz, do you have any rebuttal?

15 REBUTTAL CLOSING ARGUMENT ON BEHALF OF THE DEBTOR

16 MR. POMERANTZ: Yes, I do, Your Honor. I want to  
17 address a couple of comments that Mr. Taylor made towards the  
18 end. First of all -- and, actually, the beginning.

19 We think Your Honor should rule on confirmation. Ruling  
20 on confirmation and having an entered confirmation order are  
21 two separate things. We understand that a new offer was made.  
22 Whether that's acceptable to the Committee -- I actually think  
23 it will enhance the ability of the parties to see if they  
24 could reach a deal if there's (audio gap) that Your Honor is  
25 going to confirm the plan.

1 Again, doesn't mean a confirmation order has to be  
2 entered, but I think, based upon my personal experience in  
3 negotiating with Mr. Dondero, that your clear communication to  
4 the parties that, unless something happens, you will enter a  
5 confirmation order, I think will change things. Okay?  
6 Without getting into settlement discussions, things have  
7 changed over the last several days, and we wish you would have  
8 -- wish things would have happened sooner. But we totally  
9 disagree that Your Honor should hold your ruling for 30 days  
10 or any other period of time.

11 Part of the reason I think they are making that argument  
12 is because they have an examiner motion and they recognize  
13 that, upon confirmation, the examiner motion is moot. So I  
14 think there's strategic reasons as well.

15 We don't think there should be a continuance of the TRO  
16 hearing and of the contempt hearing. As Your Honor recalls,  
17 the contempt motion was specifically set for this time to give  
18 Mr. Dondero enough time to prepare. Your Honor was sensitive  
19 to his due process concerns. We set the TRO, the preliminary  
20 injunction hearing against the Advisors and the Funds, we set  
21 that, again, knowing that it would be after confirmation.

22 So we do not agree that either should be continued.  
23 Again, we think the more direct, unequivocal answers Your  
24 Honor can give to the parties, the better off we'll be.

25 I guess -- Mr. Taylor and I do agree that the record was

1 clear. I guess we just disagree on the clarity of it. I  
2 heard Mr. Tauber testify that when he went out to people, to  
3 insurance carriers, after he and Aon were engaged, they all  
4 talked about a Dondero exclusion. Okay? They weren't  
5 convinced into a gatekeeper provision because it was provided  
6 as part of the normal materials you would provide in a  
7 bankruptcy court and trying to get D&O liability in the  
8 context of a bankruptcy case. Mr. Tauber's testimony was  
9 pretty clear, that carriers wanted to have a Dondero  
10 exclusion. And, in fact, the only reason we were able to get  
11 any coverage was because of the gatekeeper.

12 So, yes, the record was clear. We just disagree.

13 I'd like to go back to Mr. Draper's comments going -- and  
14 a couple of things, obviously, overlap. I guess one of the  
15 things here, it's great that everyone is coming in here as  
16 different interests and different parties or whatnot. But as  
17 I mentioned, Your Honor, at the outset, and I've repeated a  
18 few times, these are all -- the only people we have not been  
19 able to resolve issues with are the Dondero parties and the  
20 related parties. And I recall the tentacles. Mr. Davor  
21 questioned that. Mr. Clemente, his comments. But the fact of  
22 the matter is, Your Honor, Your Honor has heard testimony.  
23 Your Honor has had hearings. Mr. Rukavina represents the  
24 Advisors and the Funds. Your Honor has never seen the  
25 independent board member testify in this case to demonstrate



1 how these entities are really different. So while Mr.  
2 Rukavina does -- you know, tries his best, and I think he has  
3 limited stuff to work with, but I give him credit for doing  
4 the best he can, these are all Dondero-related entities and  
5 Your Honor has seen that.

6 So, Your Honor, going to the resolicitation argument, it  
7 actually has taken up a lot more time than the argument is  
8 worth, for one very simple reason. As I said in my argument,  
9 and as Mr. Taylor and Mr. Draper totally ignored, there were  
10 17 creditors who voted yes, 17 creditors who were apparently  
11 misled, that Mr. Draper is looking out for the little guy and  
12 Mr. Taylor is fumbling over his reason for why that's  
13 important to Dondero. And of those 17 creditors that voted  
14 yes, Your Honor, they were either the employees related to  
15 HarbourVest, UBS, Redeemer, or Acis, except for two. And you  
16 know the other two? One was Contrarian, a claim buyer, who,  
17 yeah, elected to be in Class 7, and the other was an employee  
18 with a dollar claim.

19 So the whole argument that there should be a  
20 resolicitation is preposterous, Your Honor. But to go to some  
21 of the specifics in what they argued, we didn't require  
22 creditors to monitor recovery. The footnote -- as I  
23 indicated, the UBS 3018 was in the disclosure statement that  
24 went out. It didn't make it to the projections. It was  
25 clearly -- and they characterize it, I think Mr. Draper

1 characterized it as buried in the document. There is a  
2 section that every disclosure statement is required to have  
3 called Risk Factors. This disclosure statement had that. And  
4 in the disclosure statement, it talked about the amount of  
5 claims being a risk factor.

6 Mr. Draper also said that the Debtor totally changed its  
7 business model from the first to the second analysis. That is  
8 incorrect. The Debtor was always going to manage funds. Yes,  
9 did they add the CLOs? But before, they were going to manage  
10 Multi-Strat, they were going to manage Restoration Capital,  
11 they were going to oversee Korea, they were going to be doing  
12 the management of the funds. So there wasn't a big change in  
13 the business model, Your Honor.

14 Mr. Taylor, on the solicitation issue, says we found \$67  
15 million in assets. You know, that's a disingenuous statement.  
16 I think over \$20 million was found because his client and  
17 related entities didn't make a payment on notes and they got  
18 accelerated. So while before we would have had to wait over  
19 time if they were paid, it's not surprising that Mr. Dondero  
20 and his related entities just failed to basically pay the  
21 notes.

22 So that was, I think, over \$20 million. And then there  
23 was the HCLOF asset. That was acquired in the HarbourVest  
24 settlement. And then there was basically an increase in some  
25 value to some assets.

1       So there wasn't anything mysterious here. There wasn't  
2 anything that the Debtor was trying to hide. There weren't  
3 any found assets. It was based upon different circumstances.

4       Mr. Taylor complains about the lack of rollup of assets,  
5 the lack of evidence on the best interests of creditors test.  
6 Your Honor, you've had extensive testimony from Mr. Seery  
7 about what would happen in a Chapter 7 and what would happen  
8 in a Chapter 11. And you know why we didn't provide the  
9 information to Mr. Taylor and his client on what the rollup of  
10 the assets would be, and do you know why he wants them? He  
11 wants to know what the assets are so he can try to bid.

12       And there also was the allegation that the failure to  
13 allow them to bid means we're going to get less in a Chapter  
14 11 than a 7. Two comments to that, Your Honor. Number one,  
15 if that was the case, a debtor would never be able to satisfy  
16 the best interests of creditors test. If the existence of a  
17 public process *de facto* meant you would get more value than  
18 outside, you would never be able to satisfy that. And, quite  
19 honestly, that's just not the law, Your Honor.

20       You have an Oversight Committee with over \$200 million of  
21 creditors who are going to watch Mr. Seery like a hawk, like  
22 they have watched him during the case. And the concern that  
23 somehow, because these assets are not put into full view to  
24 sell, that they will get less value, it's just not -- it's not  
25 supported by the evidence at all, Your Honor. And Mr. Seery

1 will make the determination. If it makes sense to notice up  
2 and provide Mr. Dondero with notice, he will. If he doesn't,  
3 he won't.

4 Your Honor, going -- oh, and then the last comment on the  
5 -- that I'll make on the resolicitation and the liquidation  
6 analysis is Mr. Taylor chides us and we've been criticized for  
7 not disclosing more about the HarbourVest and the UBS  
8 settlements and that we were off substantially. Your Honor,  
9 you've heard testimony that we were in pending litigation with  
10 HarbourVest and UBS at the time. What kind of litigant would  
11 we be if we came in and said, you know, Your Honor, you know,  
12 Creditors, we think the UBS claim is going to be allowed at  
13 \$60 million and we think the HarbourVest claim is going to be  
14 allowed at \$30 million? Would that really have benefited  
15 creditors and this estate, to basically, after we took the  
16 position, hard negotiations and hard pleadings that we  
17 prepared, and in some cases filed, that we didn't have any  
18 liability? It would have made no sense, and it would have  
19 been a dereliction of our duty to actually come out and say  
20 what the claims -- the claims were, or what we thought they  
21 could be settled for.

22 Your Honor, going back to Mr. Draper's comments. He  
23 started with the exculpation. First he made a comment that I  
24 don't think he intended what he said, but he said that the  
25 exculpation order, the January 9th order, cuts off when the

1 independent directors go away. I think what he meant to say  
2 is that since the three people are not going to be independent  
3 directors anymore, that basically any actions going forward by  
4 any of those three are not covered. But let's be clear. The  
5 January 9th order is in effect, and if at some point in the  
6 future somebody has a claim against those three gentleman, or  
7 their agents, for what they did as independent directors or  
8 their agents, that order will apply.

9 Your Honor, we next had a discussion, or Mr. Draper and  
10 you had a discussion on professionals. I'm aware of the Fifth  
11 Circuit law that says *res judicata*, fee applications. I think  
12 that only applies to claims that the Debtor and estate would  
13 have. It doesn't really apply to an exculpation. But there's  
14 Texas state law that I identified in our brief and we cited to  
15 that limits third parties' ability to go after professionals.

16 But the bottom line is the Fifth Circuit, in *Pacific*  
17 *Lumber*, didn't deal with professionals. Your Honor was  
18 correct in pushing both Mr. Taylor and Mr. Rukavina. What  
19 really that was was a policy case. And professionals have  
20 nothing to do with 524(e). So the *Palco* and the *Pacific*  
21 *Lumber* reference and explanation of 524(e) doesn't have  
22 anything to do with professionals. And we would submit, Your  
23 Honor, that an exculpation, especially in a case like this, is  
24 important for professionals.

25 I understand Your Honor's comments that maybe it's much

1    ado about nothing, but I'm not really sure it's much ado about  
2    nothing when we have Mr. Dondero and his affiliates who,  
3    notwithstanding their efforts to just claim that all they are  
4    doing is trying to get a fair shake, Your Honor knows better.  
5    Your Honor knows better from the years you've been litigating  
6    with them, and we know better and the Debtor knows better from  
7    what the independent directors have been dealing with.

8           THE COURT:  Let me ask you this, though.  I came into  
9    the hearing with the impression we were just talking about  
10   postpetition pre-confirmation, or pre-effective date maybe I  
11   should say, was the expanse of time covered by exculpation.  
12   And Mr. Rukavina said no, no, no, go back, look at, I don't  
13   know, Subsection 4 of something.  It is a post-confirmation  
14   concept.  What is your response to that?

15           MR. POMERANTZ:  I believe it's implementation.  And,  
16   again, --

17           THE COURT:  Implementation?  Yes.

18           MR. POMERANTZ:  -- I think Mr. Rukavina -- right.  I  
19   think Mr. Rukavina and Mr. Taylor and Mr. Draper have done a  
20   great job trying to muddy the issues.  They talk about our  
21   sleight of hand and how we're trying to do things that are way  
22   beyond the bankruptcy court's jurisdiction.  We are not.  I  
23   think they are trying -- what they have done throughout the  
24   case is throw up enough mud.  And here's, here's the answer to  
25   that question, Your Honor.  Implementation.  Okay?  We know

1 what implementation means. The plan says implementation is  
2 cancelation of the equity interests, creation of new general  
3 partners, restatement of the limited partners, establishment  
4 of the Claimant Trust and Litigation Sub-Trust. That's the  
5 implementation.

6 We are not trying to get exculpation for post-confirmation  
7 activity. Actually, my partner, Mr. Kharasch, in specifically  
8 addressing Mr. Rukavina's concern, said, look, if you have a  
9 problem with cause, if you have a problem, want to exercise  
10 your rights, we're only asking you to come back to the Court.  
11 We are not stopping you.

12 So the whole argument that the exculpation is really broad  
13 and is not really -- does not really cover just the plan, the  
14 approved plan, I think is a red herring. Implementation is  
15 implementation in the context of the plan.

16 And also Mr. Rukavina tries to argue that, well, it's  
17 administration, it's not really you acting any operation of  
18 business. I just don't think there's any support in the case  
19 law. Your Honor has overseen this case, overseen this  
20 Debtor's activities, overseen the independent directors'  
21 activities, overseen Strand's activities, overseen the  
22 employees' activities. And those activities have been  
23 (indecipherable) administration of the case. And his attempt  
24 to create a different category for, well, it's not  
25 administration, it's operation and so it doesn't apply, I just

1 think is wrong.

2 Your Honor made a couple of comments about what was  
3 *Pacific Lumber* doing. It was a policy decision. If there was  
4 a bright-line rule, then nobody would be entitled to  
5 exculpation. The very fact that the Fifth Circuit said that  
6 Committee members are different made -- makes it clear it was  
7 -- it was policy.

8 And Mr. Taylor's comments that, well, their creation of  
9 statute, Chapter 11 trustees and Committee members, that's not  
10 what basically the case said. If you look at the citation to  
11 touters in the case, it was we want people to volunteer and  
12 who are needed for the process. Committee members are needed  
13 for the process. We don't want to discourage them from coming  
14 in. And the only testimony you have on the independent  
15 directors is from Mr. Dubel, and he testified the importance  
16 of independent directors to modern-day Chapter 11 practice,  
17 the importance of exculpation, indemnification, and D&O  
18 insurance. And his testimony: uncontroverted. The Objectors  
19 could have brought in someone to say something different, but  
20 the only testimony before Your Honor is, if Your Honor does  
21 not approve exculpations in cases like this, you will not get  
22 independent directors and it will have an adverse effect on  
23 the Chapter 11 process.

24 So, while I appreciate all the Objectors trying to say  
25 bright line, trying to say *Pacific Lumber*, that is the gut



1 reaction, right? That's -- it's easy to say. But Your Honor  
2 will know better, from reading the cases, that's not what  
3 *Pacific Lumber* says. And for the several reasons I gave, it's  
4 the reason why *Pacific Lumber* does not govern the decision in  
5 this case.

6 Your Honor, Mr. Draper then started to talk about *Craig*.  
7 And everyone cites *Craig* as this, you know, limiting  
8 jurisdiction. Now, we acknowledge that *Craig* and the Fifth  
9 Circuit has a more limited post-confirmation jurisdiction  
10 approach than the other Circuits, but it's not nonexistent.  
11 And just because the Debtor is going out post-confirmation and  
12 acting does not mean that the conduct that they are engaging  
13 in is not -- and disputes that arise, doesn't come within the  
14 Court's jurisdiction. If that was the case, and I think Your  
15 Honor recognized this, in your case it was the *TXMS* case,  
16 while it's limited, more limited after confirmation, and I  
17 think you even, in the case -- or, in one case of yours, said  
18 that even after the case is closed there could be  
19 jurisdiction. So their just trying to argue *Craig* is just --  
20 is just too much.

21 Going out of the gatekeeper, Mr. Draper tried to say we  
22 are *Barton*, and that's it, and *Barton* has its limitations, et  
23 cetera. First of all, with respect to *Barton*, it is not  
24 limited and doesn't include debtors-in-possession. We have  
25 cited cases in our materials where it has been applied to

1 debtors-in-possession.

2       So, you know, look, maybe this is a provision -- this is a  
3 proposition like many in bankruptcy, you could find a  
4 bankruptcy court to agree with a proposition, but there's  
5 cases all over the place on that. There's cases applying to  
6 post-confirmation. The trend has been to expand *Barton*. But  
7 the beauty of it is, Your Honor, you don't have to rely on  
8 *Barton*. *Barton* was one of our arguments. We gave *Barton* as,  
9 you know, somewhat of an analogy but somehow applying because  
10 in the -- because the independent directors were like the  
11 trustees.

12       But we recognize it may be going farther than *Barton* has  
13 previously gone. But the case law is clear, it is being  
14 extended. But we -- I gave you several provisions of the  
15 Bankruptcy Code that authorized you to enter a gatekeeper  
16 order. None of the Objectors objected on any of those  
17 grounds. They didn't say the statutes that I cited. And it  
18 wasn't only 105, I know bankruptcy practitioners love to cite  
19 105, but there were three or four others that I mentioned, and  
20 they're in our brief. There's no case that they cited that  
21 said that there is no authority on the gatekeeper.

22       But what was the argument that was raised? And I think  
23 Mr. Rukavina raised it, saying, you know, look, I don't  
24 understand the argument of no jurisdiction, of jurisdiction  
25 for a gatekeeper but no jurisdiction for underlying cause of

1 action. Well, Mr. Rukavina should read and Your Honor should  
2 read, when you're considering the plan, the case, the *Villegas*  
3 case in the Fifth Circuit as it dealt with *Stern*. That was  
4 particularly a case. Does *Barton* -- is *Barton* impacted from  
5 *Stern*? By *Stern*? And *Stern*, we know, limits the bankruptcy  
6 court's jurisdiction. But, no, the Fifth Circuit said, in  
7 that case, no. Even though the bankruptcy court's  
8 jurisdiction is limited to hear the claim, there is nothing  
9 inconsistent with that and allowing the bankruptcy court to  
10 act as a gatekeeper.

11 So Mr. Rukavina's argument that, well, he'll present to  
12 you that there's cause and you'll find there's no cause and  
13 then he will be without a remedy by someone that had  
14 jurisdiction, that really sounds good but it just doesn't  
15 withstand analytic scrutiny. There is a distinction. They  
16 are glossing over the distinction. They don't like the  
17 distinction.

18 And why is that distinction -- and why is it important in  
19 this case? Again, we're not talking about garden-variety  
20 people who are just involved with a debtor and will get caught  
21 up in a bankruptcy. We narrowly tailored the gatekeeper to  
22 enjoined parties. Enjoined parties are the people before Your  
23 Honor, some of the people that have made the Debtor's life  
24 miserable over the last few months.

25 We have every interest and desire, as does the Committee,

1 to go out post-confirmation and monetize these assets. But we  
2 see the clouds on the horizon. We see all the pleadings that  
3 have been filed by the Objectors saying how, if there's no  
4 deal, there will be an unending amount of costs and appeals.  
5 It's, you know, the point, not too subtle. It wasn't lost on  
6 us.

7 Your Honor, going to Mr. Rukavina's arguments on Class 8  
8 cram down, again, it's really a hard argument to understand,  
9 but first I want to make a point. He sort of mentioned -- and  
10 I'm not sure if he intends to preserve this on appeal, but it  
11 was not objected to and I'll ask for a ruling on it, Your  
12 Honor -- he said that there was inappropriate separate  
13 classification. That was not raised in any of the objections.  
14 We don't think it was properly before the Court. We  
15 understand there's a component of that in unfair  
16 discrimination in connection with a cram down, but there is no  
17 objection, there was no filed objection, to the separate  
18 classification of the deficiency claims and the Class 8  
19 unsecured claims.

20 And if you look at the voting, you realize it wasn't done  
21 for gerrymandering, because if you put both claims together,  
22 both classes together, you would have had one class that voted  
23 yes.

24 So I don't believe the separate classification under the  
25 1129 standards is appropriate for Your Honor to consider,

1 other than in connection with the cram down.

2 Now, Mr. Rukavina complains that the only way the  
3 convenience class was decided was by way of negotiation. Your  
4 Honor, how else do provisions like that get decided? And who  
5 was the negotiation between? It was between the Committee.  
6 And one of the benefits of a Committee process, and I  
7 represent a lot of Committees, you put people in a Committee  
8 that have diverse interests and they can come up with an  
9 appropriate result. And here you have that. You had one  
10 creditor who was a convenience creditor. You have three other  
11 creditors who would lose liquidity if convenience payments are  
12 made.

13 Do you think that UBS, Acis and Redeemer, do you think  
14 they had a desire just to pay people off? No. It was part of  
15 a collaborative process. So to say that there was no basis  
16 and no testimony on the appropriateness to have -- and how the  
17 convenience class was put together just would be wrong.

18 And with respect to the absolute priority rule, Your  
19 Honor, again, there's a missing link here, okay? These are  
20 contingent interests. They are property. No doubt they are  
21 property. But if I did not allow those creditors or those  
22 equity to have a contingent interest, the argument would have  
23 been made that the plan violates the absolute priority rule.  
24 And I said that in my argument. And why would it have  
25 violated the absolute priority rule? Because there's a

1 potential that creditors could get over a hundred cents on the  
2 dollar, plus interest. So it's a game of gotcha, right?

3 And why do they really care? Mr. Dugaboy said in his --  
4 Mr. Draper said in his brief that Dugaboy cares because they  
5 may have wanted to buy the interest. Well, I'm sure they can  
6 go to Hunter Mountain, you know, Mr. Dondero's left hand can  
7 go to his right hand, and I'm sure he'd be happy to sell the  
8 contingent interests.

9 And with respect to the argument that Mr. Rukavina made  
10 about control, equity be in control, yeah, control is a right.  
11 No doubt. You've got -- if you're giving control to the post-  
12 confirmation Debtor, that could be a right and implicate the  
13 absolute priority rule. But what is the control here? Equity  
14 is not given any rights. Your Honor heard how the post-  
15 confirmation entity is structured. It's going to be Mr.  
16 Seery, overseen by an Oversight Board. So I really don't  
17 understand the concept of control. There just is no violation  
18 of the absolute priority rule.

19 Your Honor, Mr. Rukavina then took us to task for 2000 --  
20 or, for not filing the 2015.3 statement. And if you take his  
21 argument to the logical conclusion -- well, we didn't file it,  
22 we didn't comply with that Rule, so we're not in compliance  
23 with the Bankruptcy Code, so we can never basically get our  
24 plan confirmed, right, because it's a violation and we didn't  
25 file and seek an extension.

1           That's just a preposterous argument, Your Honor. Mr.  
2           Seery poignantly told the Court, in the rush of things that  
3           were going on, it wasn't filed. Did Mr. Rukavina, before  
4           yesterday, having Mr. Dubel on the stand, did he ever ask  
5           where is our 2015.3 report? He probably didn't ask it because  
6           the answer -- when I told him the reason why it wasn't filed  
7           before January 9 was because I don't think Mr. Dondero wanted  
8           it filed, and I think that's why, as Mr. Seery testified, we  
9           were having a challenging time getting that information from  
10          the in-house -- in-house.

11          But, yes, should it have been filed? Yes. But if that is  
12          all they could point to through the course of the case that  
13          Mr. Seery or Mr. -- or the rest of the board did wrong, you  
14          know, I think that just demonstrates they did a fine job.

15                 THE COURT: All right.

16                 MR. POMERANTZ: Your Honor?

17                 THE COURT: You've got four minutes left.

18                 MR. POMERANTZ: Oh. Okay. Your Honor, going to Mr.  
19          Rukavina and the Strand argument that it's a nondebtor entity,  
20          as I explained in my argument, the Strand -- Strand needs to  
21          get exculpation or else that's a backdoor way to the Debtor.  
22          Forget about the independent directors, it's a backdoor way to  
23          the Debtor. Because Mr. Dondero will be in control. If  
24          Strand is sued for post-January 9th activities, he will assert  
25          an administrative claim. And one thing from *Pacific Lumber* is

1 clear, the Debtor is entitled to an exculpation as part of the  
2 injunction and the -- and the discharge.

3 Your Honor, Mr. Kharasch adequately addressed Mr.  
4 Rukavina's comments with the gatekeeper and the gatekeeper  
5 problem. We are not seeking to stop his clients, however  
6 related they may be, from exercising their rights. We are  
7 seeking a process that will not embroil the Debtor in  
8 litigation going forward. There is no problem with Your Honor  
9 acting as the gatekeeper to do so. And to the extent that  
10 they are bound by the January 9th order is not really an issue  
11 for today. That'll be an issue at the temporary -- the  
12 temporary -- at the preliminary injunction hearing.

13 I -- just one minute, Your Honor.

14 (Pause.)

15 MR. POMERANTZ: Your Honor, I think I covered a lot.  
16 If there's anything that any of the Objectors have mentioned  
17 that I failed to respond to, I'd be happy to answer questions  
18 Your Honor has.

19 THE COURT: All right. I guess there's, what, about  
20 two minutes left, if Mr. Clemente had anything.

21 Mr. Clemente, have you drifted off? I doubt it. But  
22 anything else from you, Mr. Clemente?

23 MR. TAYLOR: Your Honor, I show him talking -- this  
24 is Clay Taylor -- but no one's hearing him.

25 THE COURT: Okay. Mr. Clemente, we are not hearing



1 you, or I'm not seeing you. Make sure you're not on mute.

2 THE CLERK: He's not on mute, Judge.

3 THE COURT: He's not on mute? So we must have a  
4 bandwidth issue or something else.

5 All right. Mr. Clemente, still not hearing or seeing you.  
6 We'll give him another 30 seconds.

7 THE CLERK: He's coming up.

8 THE COURT: He's coming up? Ah, I see his name now.

9 MR. CLEMENTE: Your Honor, can you hear me?

10 THE COURT: I can hear you now.

11 MR. CLEMENTE: Okay, Your Honor. I don't know what  
12 happened. I just switched another camera, so you may not be  
13 able to see me, but can you hear me? I'll be very quick.

14 THE COURT: Okay. I can hear you.

15 MR. CLEMENTE: Can you hear me?

16 THE COURT: Yes.

17 MR. CLEMENTE: Okay. Thank you, Your Honor.

18 CLOSING ARGUMENT ON BEHALF OF THE UNSECURED CREDITORS' COMMITTEE

19 MR. CLEMENTE: Two things I want to say. First, just  
20 on Class 8, I think what's important, as my comments  
21 emphasized earlier, the structure of Class 8. We must  
22 remember what it is. It's really designed so that Class 8  
23 holders receive their pro rata share of what's left after  
24 prior claims are paid. That's really what Class 8 creditors  
25 voted on. That's what the disclosure provided. They did not

1 vote on receiving a specific dollar or a specific recovery  
2 percentage.

3 And regarding the projections and estimates, Your Honor,  
4 we're talking about large litigation claims that were asserted  
5 and then settled. And given the nature of these assets, the  
6 values fluctuate. It's perfectly expected, Your Honor, and  
7 indeed disclosed, that there could be wide swings in the  
8 amount of claims. That does not lead to the conclusion that  
9 the plan needs to be resolicited.

10 And then, finally, Your Honor, again, Mr. Pomerantz  
11 adequately addressed all the points, as he did with his  
12 earlier presentation, so I'm not going to touch on them, but I  
13 did want to respond to one thing that Mr. Taylor said. And I,  
14 of course, agree with Mr. Pomerantz. The Committee believes  
15 there's no reason for you to delay a ruling and would in fact  
16 urge you to rule as soon as Your Honor is ready to rule.  
17 Confirmation of the plan, to the extent that there are  
18 conversations occurring, is not going to prevent those  
19 conversations from taking place, and they can continue after  
20 the plan is confirmed. There's simply nothing inherent in  
21 Your Honor confirming the plan that would prevent those  
22 conversations from occurring or would ultimately prevent  
23 parties from pivoting to a deal on the off-chance that one  
24 should be reached.

25 So I just wanted to emphasize, Your Honor, again, Your

1 Honor is going to rule when Your Honor rules, but the  
2 Committee would urge you to rule, and certainly the idea that  
3 there may or may not be discussions with Mr. Dondero should  
4 not at all in any way lead you to the conclusion that you  
5 shouldn't rule or that those conversations cannot continue  
6 after plan confirmation.

7 Thank you, Your Honor. Unless you have questions for me.  
8 And my apologies with the technology.

9 THE COURT: No problem. All right. Here's what I'm  
10 going to do. We can see you now, Mr. Clemente.

11 MR. CLEMENTE: Oh. I'm sorry, Your Honor. I  
12 switched to another camera again because it wasn't working.  
13 So, I apologize.

14 THE COURT: All right. I am going to call you back  
15 Monday. What day of the week will that be? Is that -- I  
16 mean, Monday, what date, I should say. That'll be the 8th,  
17 right? I am going to call you back Monday, this coming  
18 Monday, February 8th, at 9:30 Central time, and I am going to  
19 give you my ruling. It will be a detailed oral bench ruling.  
20 And I'm not going to leave you hanging on the edge of your  
21 seat over the next few days. I will tell you I'm inclined to  
22 confirm this plan. I think it meets all of the requirements  
23 of 1129 and 1123 and 1122.

24 The thing that I am going to spend some time thinking  
25 about between now and Monday morning is, no surprise, the

1 propriety of the exculpations, the propriety of the plan  
2 injunctions, the propriety of the gatekeeper provisions. I  
3 certainly am duty-bound to go back and reread *Pacific Lumber*,  
4 to go back and read *Thru, Inc.*, and to really think hard about  
5 what is happening here.

6 So, I'm pretty much down, I think, to just those three  
7 issues here. I'll talk to my law clerk. He may remind me of  
8 something else that I'm not articulating right now. But I  
9 think I'm just down to those issues. Okay? So it's not going  
10 to be a mystery very long. We will come back Monday, 9:30.  
11 My courtroom deputy will post on the docket the WebEx  
12 connection instructions as usual, and we'll go from there.  
13 Now, --

14 MR. POMERANTZ: Your Honor? Your Honor, this is Jeff  
15 Pomerantz. I have a question, and it's going to sound odd  
16 coming from someone on the West Coast, but I was wondering if  
17 you could do it earlier. And the only reason I say that is,  
18 the night before, I have to call in to see if I'm on jury duty  
19 on Monday, and it would be helpful to me -- I assume your  
20 reading the ruling would be within a half hour, 45 minutes.  
21 That if you started at 9:00, if that was possible, I could  
22 then get in a car, and if I'm actually called to jury duty, I  
23 can get there. Of course, I don't know if I will be called,  
24 but I'd hate to miss it.

25 THE COURT: Okay. Well, I don't want to make you

1 miss jury duty. Okay. We will do 9:00 o'clock.

2 MR. POMERANTZ: Thank you, Your Honor.

3 THE COURT: Hopefully no one will be, you know, hung  
4 over from watching the Super Bowl. Personally, I don't like  
5 Tom Brady, so I may be boycotting the Super Bowl. But maybe  
6 I'll watch it. Maybe I'll -- I'll watch it. So we'll do it  
7 9:00 o'clock. So 9:00 o'clock next Monday.

8 Now, let's talk about next the currently-set hearing this  
9 Friday, February 5th, on the injunction and contempt of court  
10 motion as to Mr. Dondero and the other entities. I want to  
11 continue that, and here is what I am struggling with. The  
12 only day I have next week is Friday, the 12th, and I would  
13 rather not use that date because I'm pretty jam-packed Monday  
14 through Thursday, unless stuff has been settled that I haven't  
15 become aware of. So let me ask two things. First, when is  
16 the examiner motion set? I'm just wondering if there's a  
17 block of time we have coming up that --

18 MR. POMERANTZ: I believe that's March 2nd, Your  
19 Honor, so that's not for another month.

20 THE COURT: Oh, that's not for another month? All  
21 right.

22 Traci, are you on the line? I want to ask you --

23 THE CLERK: Yes, I am.

24 THE COURT: What about the following week? I know  
25 Monday, the 15th, is a federal holiday, but do we have

1 availability for -- I fear a full day is going to be needed  
2 for continuing this Friday setting.

3 THE CLERK: Wednesday, February 17th, is available.

4 THE COURT: We've got all day on Wednesday, February  
5 17th?

6 THE CLERK: Yes.

7 THE COURT: All right. What about that? I think I  
8 heard Mr. Rukavina, I think he's the one who threw it out  
9 there -- or maybe it was Mr. Taylor; I'm getting mixed up --  
10 the possibility that they would agree to a continuation of the  
11 preliminary injunction through -- well, I think you said  
12 through confirmation. Until the Court enters a confirmation  
13 order. And if I were to rule and approve confirmation Monday,  
14 then we're talking about an order that might be entered sooner  
15 than the 17th. So, do you all have any --

16 MR. RUKAVINA: Your Honor?

17 THE COURT: -- mutually-agreeable suggestions? If  
18 not, I'm just going to set it the 12th and I'll, you know, I'm  
19 killing myself, but I'll --

20 MR. TAYLOR: Your Honor?

21 MR. RUKAVINA: No, Your Honor. I think Your Honor is  
22 wise to do what's she's proposing. The agreed TRO against my  
23 clients expires on the 15th of February.

24 THE COURT: Uh-huh.

25 MR. RUKAVINA: We can easily move that back a week or

1 a sufficient amount of time so that there's no prejudice by  
2 going on the 17th, if that would be acceptable to the Debtor,  
3 and then we can just pick a date that's sufficiently after the  
4 PI hearing so that there's protection for everyone.

5 THE COURT: All right. Mr. Taylor, do you agree?

6 MR. TAYLOR: Yes, Your Honor. That is acceptable to  
7 Mr. Dondero.

8 THE COURT: Okay.

9 MR. TAYLOR: We can also push it back. Can you hear  
10 me?

11 THE COURT: Yes, I can. Uh-huh.

12 MR. TAYLOR: Okay.

13 THE COURT: All right.

14 MR. POMERANTZ: I just want to make -- I just want to  
15 make sure Mr. Morris, John Morris, is on, since he's taking  
16 the lead in those matters. I don't see his picture.

17 MR. MORRIS: I am, Jeff, and I appreciate that. I'm  
18 available, Your Honor. We were supposed to take the  
19 depositions of Mr. Leventon and Mr. Ellington tomorrow. I  
20 don't know if their counsel is on the phone. But given Your  
21 Honor's decision to adjourn the hearing from Friday, I would  
22 respectfully request at this time that counsel for those two  
23 individuals work with me to find a date next week in order to  
24 take those depositions.

25 THE COURT: All right. That's --

1 MS. DANDENEAU: Debra Dandeneau from --

2 THE COURT: Go ahead.

3 MS. DANDENEAU: This is Debra Dandeneau from Baker  
4 McKenzie. We agree, and we're happy to work with you on a  
5 rescheduled time.

6 MR. MORRIS: Thank you very much.

7 THE COURT: All right. All right. So, someone had  
8 filed a motion to continue Friday's hearing. I think it was  
9 your firm, Mr. Taylor. I already had a motion pending for a  
10 few days now. So I'm going to direct you to upload an order,  
11 Mr. Taylor, or someone at your firm, continuing the hearing to  
12 the 17th at 9:30, with language in there that your -- the  
13 injunction is continuing at least through that date. And,  
14 again, it's a continuance of the motion for contempt as well  
15 as the setting on the preliminary injunction. And, of course,  
16 run that by Mr. Morris and Mr. Rukavina.

17 MR. TAYLOR: Sure. Your Honor, this is -- I'm not  
18 handling the injunction hearing, or at least I don't think I  
19 am. But just so that I'm clear, should maybe the injunction  
20 continue through the next day or something, so depending on  
21 how Your Honor rules, there's not a rush to try and get an  
22 order to you?

23 MR. RUKAVINA: Your Honor, I think that Mr. Morris  
24 and I can work this out. Mr. Taylor is not involved in that  
25 adversary, that's true, but Mr. Morris and I will be able to



1 very quickly enter a proposed agreed order that extends that  
2 TRO for some period of time.

3 THE COURT: Okay.

4 MR. RUKAVINA: I'm not going to be difficult.

5 THE COURT: Okay. So we'll shift to you and Mr.  
6 Morris to be the scriveners. I just -- I suggested that  
7 because I thought there was a motion to link the order to that  
8 had been filed by Bonds Ellis. I may be --

9 MR. MORRIS: There was, Your Honor. There was an  
10 emergency motion to continue. We filed an opposition, and  
11 Your Honor has not yet ruled on that motion. You're exactly  
12 right.

13 THE COURT: Okay. All right.

14 MR. TAYLOR: Your Honor, this is Clay Taylor. I will  
15 make sure the right people confer with Davor and John, and  
16 we'll get -- we'll link it to that motion, because that makes  
17 sense, to have something to link it to.

18 THE COURT: Okay. Yes. And it can be a two-  
19 paragraph order, I would think.

20 All right. And then so I'm going to see you Monday at  
21 9:00 o'clock Central time with the ruling.

22 Please, don't anyone file anymore paper. I threw that out  
23 earlier today. I've got all the paper I need. And I will see  
24 you Monday at 9:00 o'clock. Okay? We're adjourned.

25 MR. POMERANTZ: Thank you, Your Honor.

1 THE CLERK: All rise.

2 MR. MORRIS: Thank you, Your Honor.

3 (Proceedings concluded at 4:34 p.m.)

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CERTIFICATE

21 I certify that the foregoing is a correct transcript from  
22 the electronic sound recording of the proceedings in the  
above-entitled matter.

23 **/s/ Kathy Rehling**

**02/05/2021**

24

25

Kathy Rehling, CETD-444  
Certified Electronic Court Transcriber

Date

008091

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## EXHIBIT DDDDDDD

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**Highland Capital Management, L.P.  
Disclaimer For Financial Projections**

This document includes financial projections for July 2020 through December 2022 (the “Projections”) for Highland Capital Management, L.P. (“Company”). These Projections have been prepared by DSI with input from management at the Company. The historical information utilized in these Projections has not been audited or reviewed for accuracy by DSI.

This document includes certain statements, estimates and forecasts provided by the Company with respect to the Company’s anticipated future performance. These estimates and forecasts contain significant elements of subjective judgment and analysis that may or may not prove to be accurate or correct. There can be no assurance that these statements, estimates and forecasts will be attained and actual outcomes and results may differ materially from what is estimated or forecast herein.

These Projections should not be regarded as a representation of DSI that the projected results will be achieved.

Management may update or supplement these Projections in the future, however, DSI expressly disclaims any obligation to update its report.

These Projections were not prepared with a view toward compliance with published guidelines of the Securities and Exchange Commission or the American Institute of Certified Public Accountants regarding historical financial statements, projections or forecasts.

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**Highland Capital Management, L.P.**  
**Statement of Assumptions**

- A. Plan effective date is March 1, 2021
- B. All investment assets are sold by December 31, 2022.
- C. All demand notes are collected in the year 2021; 3 term notes defaulted and have been demanded based on default provisions; payment estimated in 2021
- D. Dugaboy term note with maturity date beyond 12/31/2022 are sold in Q1 2022; in the interim interest income and principal payments are not collected due to prepayment on note
- E. Fixed assets currently used in daily operations are sold in June 2021 for \$0
- F. Highland bonus plan has been terminated in accordance with its terms. Accrual for employee bonuses as of January 2021 are reversed and not paid.
- G. All Management advisory or shared service contracts are terminated on their terms by the effective date or shortly thereafter
- H. Post-effective date, the reorganized Debtor would retain up to ten HCMLP employees (or hire similar employees) to help monetize the remaining assets.
- I. Litigation Trustee budget is \$6,500,000.
- J. Unrealized gains or losses are not recorded on a monthly basis; all gains or losses are recorded as realized gains or losses upon sale of asset.
- K. Plan does not provide for payment of interest to Class 8 holders of general unsecured claims, as set forth in the Plan. If holders of general unsecured claims receive 100% of their allowed claims, they would then be entitled to receive interest at the federal judgement rate, prior to any funds being available for claims or interest of junior priority.
- L. Plan assumes zero allowed claims for IFA and Hunter Mountain Investment Trust ("HM"); UBS claim based on voting amount of \$94.8 million, but Debtor and UBS have agreed in principal regarding UBS's allowed claim
- M. Claim amounts listed in Plan vs. Liquidation schedule are subject to change; claim amounts in Class 8 assume \$0 for IFA and HM, \$94.8 million for UBS and \$45 million HV. Assumes RCP claims will offset against HCMLP's interest in fund and will not be paid from Debtor assets
- N. With the exception of Class 2 - Frontier, Classes 1-7 will be paid in full within 30 days of effective date.
- O. Class 7 payout limited to 85% of each individual creditor claim or in the aggregate \$13.15 million. Plan currently projects Class 7 payout of \$10.3 million.
- P. See below for Class 8 estimated payout schedule; payout is subject to certain assets being monetized by payout date (no Plan requirement to do so):
  - o By September 30, 2021 - \$50,000,000
  - o By March 31, 2022 – additional \$50,000,000
  - o By June 30, 2022 – additional \$25,000,000
  - o All remaining proceeds are assumed to be paid out on or soon after all remaining assets are monetized.
- Q. Assumptions subject to revision based on business decision and performance of the business



Highland Capital Management, L.P.  
Plan Analysis Vs. Liquidation Analysis  
(US \$'000's)

	Plan Analysis	Liquidation Analysis
Estimated cash on hand at 1/31/2020	\$ 24,290	\$ 24,290
Estimated proceeds from monetization of assets [1][2]	257,941	191,946
Estimated expenses through final distribution[1][3]	(59,573)	(41,488)
Total estimated \$ available for distribution	222,658	174,748
Less: Claims paid in full		
Unclassified [4]	(1,080)	(1,080)
Administrative claims [5]	(10,574)	(10,574)
Class 1 - Jefferies Secured Claim	-	-
Class 2 - Frontier Secured Claim [6]	(5,781)	(5,781)
Class 3 - Other Secured Claims	(62)	(62)
Class 4 - Priority Non-Tax Claims	(16)	(16)
Class 5 - Retained Employee Claims	-	-
Class 6 - PTO Claims [5]	-	-
Class 7 - Convenience Claims [7][8]	(10,280)	-
Subtotal	(27,793)	(17,514)
Estimated amount remaining for distribution to general unsecured claims	194,865	157,235
% Distribution to Class 7 (Class 7 claims included in Class 8 in Liquidation scenario)	85.00%	0.00%
Class 8 - General Unsecured Claims [8][10]	313,588	326,468
Subtotal	313,588	326,468
% Distribution to general unsecured claims	62.14%	48.16%
Estimated amount remaining for distribution	-	-
Class 9 - Subordinated Claims	no distribution	no distribution
Class 10 - Class B/C Limited Partnership Interests	no distribution	no distribution
Class 11 - Class A Limited Partnership Interest	no distribution	no distribution

Footnotes:

- [1] Assumes chapter 7 Trustee will not be able to achieve same sales proceeds as Claimant Trustee  
Assumes Chapter 7 Trustee engages new professionals to help liquidate assets and terminates any management agreements with funds or CLOS
- [2] Sale of investment assets, sale of fixed assets, collection of accounts receivable and interest receivable; Plan includes revenue from managing CLOS
- [3] Estimated expenses through final distribution exclude non-cash expenses:  
Depreciation of \$462 thousand in 2021; Bad debt of \$124K in 2021
- [4] Unclassified claims include payments for priority tax claims and settlements with previously approved by the Bankruptcy Court
- [5] Represents \$4.7 million in unpaid professional fees, \$4.5 million in timing of payments to vendors and \$1.2 million to pay PTO
- [6] Debtor will pay all unpaid interest estimated at \$253 thousand of Frontier on effective date and continue to pay interest quarterly at 5.25% until Frontier's collateral is sold
- [7] Claims payout limited to 85% of each individual creditor claim or limited to a total class payout of \$13.15 million
- [8] Plan: Class 7 includes \$1.2 million estimate for aggregate contract rejections damage; Liquidation Class 8 includes \$2.0 million for estimated rejection damages
- [10] Class estimates \$0 allowed claim for the following creditors: IFA and HM; assumes RCP claims offset against HCMLP interest in RCP fund  
UBS claim included at voting amount of \$94.8 million. Debtor and UBS have agreed in principal regarding UBS's allowed claim

Notes:

All claim amounts are estimated as of January 26, 2020 and subject to change

Highland Capital Management, L.P.  
Balance Sheet  
(US \$000's)

	Actual Jun-20	Actual Sep-20	Forecast ---> Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
<b>Assets</b>											
Cash and Cash Equivalents	\$ 14,994	\$ 5,888	\$ 31,047	\$ 10,328	\$ 40,063	\$ 42,833	\$ 135,137	\$ 80,733	\$ 72,238	\$ 69,368	\$ -
Other Current Assets	13,182	13,651	13,784	15,172	14,671	14,220	9,943	8,268	8,417	8,567	-
Investment Assets	320,912	305,961	283,812	280,946	233,234	171,174	47,503	47,503	25,888	25,888	-
Net Fixed Assets	3,055	2,823	2,592	1,348	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 352,142</b>	<b>\$ 328,323</b>	<b>\$ 331,235</b>	<b>\$ 307,793</b>	<b>\$ 287,968</b>	<b>\$ 228,227</b>	<b>\$ 192,583</b>	<b>\$ 136,504</b>	<b>\$ 106,542</b>	<b>\$ 103,823</b>	<b>\$ -</b>
<b>Liabilities</b>											
Post-petition Liabilities	\$ 142,730	\$ 135,597	\$ 131,230	\$ 12,891	\$ 10,249	\$ 10,503	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-petition Liabilities	9,861	9,884	10,000	-	-	-	-	-	-	-	-
Claims											
Unclassified	-	-	-	-	-	-	-	-	-	-	-
Class 1 – Jefferies Secured Claim	-	-	-	-	-	-	-	-	-	-	-
Class 2 – Frontier Secured Claim	-	-	-	5,528	-	-	-	-	-	-	-
Class 3 – Other Secured Claims	-	-	-	-	-	-	-	-	-	-	-
Class 4 – Priority Non-Tax Claims	-	-	-	-	-	-	-	-	-	-	-
Class 5 – Retained Employee Claims	-	-	-	-	-	-	-	-	-	-	-
Class 6 – PTO Claims	-	-	-	-	-	-	-	-	-	-	-
Class 7 – Convenience Claims	-	-	-	-	-	-	-	-	-	-	-
Class 8 – General Unsecured Claims	-	-	-	313,588	313,588	263,588	263,588	213,588	188,588	188,588	118,723
Class 9 – Subordinated Claims	-	-	-	-	-	-	-	-	-	-	-
Class 10 – Class B/C Limited Partnership Interests	-	-	-	-	-	-	-	-	-	-	-
Class 11 – Class A Limited Partnership Interests	-	-	-	-	-	-	-	-	-	-	-
Claim Payable	9,861	9,884	10,000	319,115	313,588	263,588	263,588	213,588	188,588	188,588	118,723
<b>TOTAL LIABILITIES</b>	<b>\$ 152,591</b>	<b>\$ 145,481</b>	<b>\$ 141,230</b>	<b>\$ 332,007</b>	<b>\$ 323,836</b>	<b>\$ 274,091</b>	<b>\$ 263,588</b>	<b>\$ 213,588</b>	<b>\$ 188,588</b>	<b>\$ 188,588</b>	<b>\$ 118,723</b>
Partners' Capital	199,551	182,842	190,005	(24,214)	(35,868)	(45,863)	(71,004)	(77,083)	(82,045)	(84,764)	(118,722)
<b>TOTAL LIABILITIES AND PARTNERS' CAPITAL</b>	<b>\$ 352,142</b>	<b>\$ 328,323</b>	<b>\$ 331,235</b>	<b>\$ 307,793</b>	<b>\$ 287,968</b>	<b>\$ 228,227</b>	<b>\$ 192,583</b>	<b>\$ 136,504</b>	<b>\$ 106,543</b>	<b>\$ 103,823</b>	<b>\$ -</b>

Highland Capital Management, L.P.  
Profit/Loss  
(US \$000's)

	Actual Jan 2020 to June 2020 Total	Actual 3 month ended Sept 2020	Forecast --> 3 month ended Dec 2020	Total 2020	3 month ended Mar 2021	3 month ended Jun 2021	3 month ended Sept 2021	3 month ended Dec 2021	Total 2021
Revenue									
Management Fees	\$ 6,572	\$ 1,949	\$ 2,804	\$ 11,325	\$ 1,329	\$ 856	\$ 856	\$ 856	\$ 3,891
Shared Service Fees	7,672	3,765	3,788	15,225	1,373	45	45	-	1,463
Other Income	3,126	538	340	4,004	316	274	-	-	591
Total revenue	\$ 17,370	\$ 6,252	\$ 6,931	\$ 30,554	\$ 3,018	\$ 1,176	\$ 901	\$ 856	\$ 5,951
Operating Expenses [1]	13,328	9,171	9,399	31,899	12,168	4,897	3,973	3,333	24,371
Income/(loss) From Operations	\$ 4,042	\$ (2,918)	\$ (2,468)	\$ (1,345)	\$ (9,149)	\$ (3,722)	\$ (3,072)	\$ (2,477)	\$ (18,420)
Professional Fees	17,522	7,707	8,351	33,581	7,478	6,583	2,268	1,810	18,139
Other Income/(Expenses) [2]	2,302	1,518	1,059	4,879	(196,410)	326	(93)	29	(196,149)
Operating Gain/(Loss)	\$ (11,178)	\$ (9,107)	\$ (9,761)	\$ (30,046)	\$ (213,037)	\$ (9,978)	\$ (5,433)	\$ (4,259)	\$ (232,707)
Realized and Unrealized Gain/(Loss)									
Other Realized Gains/(Loss)	-	-	-	-	(1,013)	522	-	-	(491)
Net Realized Gain/(Loss) on Sale of Investment	(28,418)	1,549	(8,850)	(35,719)	(168)	(2,198)	(4,563)	(7,581)	(14,510)
Net Change in Unrealized Gain/(Loss) of Investments	(29,929)	(7,450)	4,523	(32,857)	-	-	-	-	-
Net Realized Gain/(Loss) from Equity Method Investees	-	-	(364)	(364)	-	-	-	(13,301)	(13,301)
Net Change in Unrealized Gain/(Loss) from Equity Method Investees	(80,782)	(1,700)	-	(82,482)	-	-	-	-	-
Total Realized and Unrealized Gain/(Loss)	\$ (139,129)	\$ (7,601)	\$ (4,692)	\$ (151,422)	\$ (1,182)	\$ (1,675)	\$ (4,563)	\$ (20,882)	\$ (28,302)
Net Income	\$ (150,307)	\$ (16,708)	\$ (14,453)	\$ (181,468)	\$ (214,219)	\$ (11,654)	\$ (9,996)	\$ (25,141)	\$ (261,009)

Footnotes:

- [1] Operating expenses include an adjustment in January 2021 to account for expenses that have not been accrued or paid prior to effective date.  
[2] Other income and expenses of \$197.3 million in Q1 2021 includes:  
[a] \$209.7 million was expensed to record for the increase of allowed claims.  
[b] Income of \$11.7 million for the accrued, but unpaid payroll liability related to the Debtor's deferred bonus programs amount written-off.

Highland Capital Management, L.P.  
Profit/Loss  
(US \$000's)

	Forecast --->					Total 2022	Plan
	3 month ended Mar 2022	3 month ended Jun 2022	3 month ended Sept 2022	3 month ended Dec 2022	3 month ended Mar 2022		
Revenue							
Management Fees	\$ 580	\$ 580	\$ 580	\$ 580	\$ 580	\$ 2,318	\$ 6,215
Shared Service Fees	-	-	-	-	-	-	1,463
Other Income	-	-	-	-	-	-	591
Total revenue	\$ 580	\$ 580	\$ 580	\$ 580	\$ 580	\$ 2,318	\$ 8,269
Operating Expenses	3,635	2,679	1,739	6,425	6,425	14,478	38,849
Income/(loss) From Operations	\$ (3,056)	\$ (2,099)	\$ (1,159)	\$ (5,846)	\$ (5,846)	\$ (12,160)	\$ (30,580)
Professional Fees	2,921	2,761	1,461	2,176	2,176	9,318	27,455
Other Income/(Expenses)	(103)	(101)	(100)	(350)	(350)	(654)	(196,803)
Operating Gain/(Loss)	\$ (6,079)	\$ (4,961)	\$ (2,719)	\$ (8,371)	\$ (8,371)	\$ (22,131)	\$ (254,838)
Realized and Unrealized Gain/(Loss)							
Other Realized Gains/(Loss)	-	-	-	(25,587)	(25,587)	(25,587)	(26,078)
Net Realized Gain/(Loss) on Sale of Investment	-	-	-	-	-	-	(14,510)
Net Change in Unrealized Gain/(Loss) of Investments	-	-	-	-	-	-	-
Net Realized Gain/(Loss) from Equity Method Investees	-	-	-	-	-	-	(13,301)
Net Change in Unrealized Gain/(Loss) from Equity Method Investees	-	-	-	-	-	-	-
Total Realized and Unrealized Gain/(Loss)	\$ -	\$ -	\$ -	\$ (25,587)	\$ (25,587)	\$ (25,587)	\$ (53,889)
Net Income	\$ (6,079)	\$ (4,961)	\$ (2,719)	\$ (33,958)	\$ (33,958)	\$ (47,718)	\$ (308,727)

**Highland Capital Management, L.P.**  
**Cash Flow Indirect**  
**(US \$000's)**

	Forecast ---->					
	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
	\$ (16,708)	\$ (14,453)	\$ (214,219)	\$ (11,654)	\$ (9,996)	\$ (25,141)
Net (Loss) Income						
Cash Flow from Operating Activity						
(Increase) / Decrease in Cash	231	231	231	231	-	-
Depreciation and amortization	-	-	1,013	(522)	-	-
Other realized (gain)/ loss	(1,549)	9,214	168	2,198	4,563	20,882
Investment realized (gain)/ loss	(9,150)	4,523	-	-	-	-
Unrealized (gain) / loss	(470)	(133)	(1,388)	501	450	4,277
(Increase) Decrease in Current Assets	(7,110)	(4,251)	(44,172)	(2,643)	255	(10,503)
Increase (Decrease) in Current Liabilities						
Net Cash Increase / (Decrease) - Operating Activities	(34,757)	(4,868)	(258,366)	(11,889)	(4,727)	(10,485)
Cash Flow From Investing Activities						
Proceeds from Sale of Fixed Assets	-	-	-	-	-	-
Proceeds from Investment Assets	25,650	30,027	2,698	47,152	57,498	102,788
Net Cash Increase / (Decrease) - Investing Activities	25,650	30,027	2,698	47,152	57,498	102,788
Cash Flow from Financing Activities						
Claims payable	-	-	(73,997)	-	-	-
Claim reclasses/(paid)	-	-	319,115	(5,528)	(50,000)	-
Maple Avenue Holdings	-	-	(4,975)	-	-	-
Frontier Note	-	-	(5,195)	-	-	-
Net Cash Increase / (Decrease) - Financing Activities	-	-	234,948	(5,528)	(50,000)	-
Net Change in Cash	\$ (9,107)	\$ 25,159	\$ (20,719)	\$ 29,735	\$ 2,770	\$ 92,303
Beginning Cash	14,994	5,888	31,047	10,328	40,063	42,833
Ending Cash	\$ 5,888	\$ 31,047	\$ 10,328	\$ 40,063	\$ 42,833	\$ 135,137

## HMIT Exhibit No. 56

008103

## UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: HIGHLAND CAPITAL MANAGEMENT, L.P.

CRD Number: 110126

Annual Amendment - All Sections

Rev. 10/2021

3/31/2023 11:15:58 AM

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

## Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

**HIGHLAND CAPITAL MANAGEMENT, L.P.**

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.

**HIGHLAND CAPITAL MANAGEMENT, L.P.**

List on *Section 1.B. of Schedule D* any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☒

If you check this box, complete a *Schedule R* for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of

☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-54874**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

No Information Filed

E. (1) If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **110126**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional CRD Numbers, your additional CRD numbers:

No Information Filed

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):

Number and Street 1:

100 CRESCENT COURT

City:

DALLAS

State:

Texas

Number and Street 2:

SUITE 1850

Country:

United States

ZIP+4/Postal Code:

75201

If this address is a private residence, check this box: ☐

List on *Section 1.F. of Schedule D* any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

BY APPOINTMENT

(3) Telephone number at this location:

972-628-4100

(4) Facsimile number at this location, if any:

972-637-9197

(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)? ☒ Yes ☐ No

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on [Section 1.I. of Schedule D](#). If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: Other titles, if any:  
Telephone number: Facsimile number, if any:  
Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:  
IRS Employer Identification Number:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name: Titles:  
Telephone number: Facsimile number, if any:  
Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*? ☒ Yes ☐ No

If "yes," complete [Section 1.L. of Schedule D](#).

M. Are you registered with a *foreign financial regulatory authority*? ☒ Yes ☐ No

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete [Section 1.M. of Schedule D](#).

N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934? ☐ Yes ☒ No

O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year? ☐ Yes ☒ No

If yes, what is the approximate amount of your assets:

- ☐ \$1 billion to less than \$10 billion  
☐ \$10 billion to less than \$50 billion



For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:  
549300BKFQI8M03HT187

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

List your other business names and the jurisdictions in which you use them. You must complete a separate Schedule D Section 1.B. for each business name.

Name: HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

Jurisdictions

<input type="checkbox"/> AL	<input type="checkbox"/> IL	<input type="checkbox"/> NE	<input type="checkbox"/> SC
<input type="checkbox"/> AK	<input type="checkbox"/> IN	<input type="checkbox"/> NV	<input type="checkbox"/> SD
<input type="checkbox"/> AZ	<input type="checkbox"/> IA	<input type="checkbox"/> NH	<input type="checkbox"/> TN
<input type="checkbox"/> AR	<input type="checkbox"/> KS	<input type="checkbox"/> NJ	<input checked="" type="checkbox"/> TX
<input type="checkbox"/> CA	<input type="checkbox"/> KY	<input type="checkbox"/> NM	<input type="checkbox"/> UT
<input type="checkbox"/> CO	<input type="checkbox"/> LA	<input type="checkbox"/> NY	<input type="checkbox"/> VT
<input type="checkbox"/> CT	<input type="checkbox"/> ME	<input type="checkbox"/> NC	<input type="checkbox"/> VI
<input type="checkbox"/> DE	<input type="checkbox"/> MD	<input type="checkbox"/> ND	<input type="checkbox"/> VA
<input type="checkbox"/> DC	<input type="checkbox"/> MA	<input type="checkbox"/> OH	<input type="checkbox"/> WA
<input type="checkbox"/> FL	<input type="checkbox"/> MI	<input type="checkbox"/> OK	<input type="checkbox"/> WV
<input type="checkbox"/> GA	<input type="checkbox"/> MN	<input type="checkbox"/> OR	<input type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input type="checkbox"/> PA	<input type="checkbox"/> WY
<input type="checkbox"/> HI	<input type="checkbox"/> MO	<input type="checkbox"/> PR	<input checked="" type="checkbox"/> Other: SOUTH KOREA
<input type="checkbox"/> ID	<input type="checkbox"/> MT	<input type="checkbox"/> RI	

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1: 136, SEJONG-DAERO, JUNG-GU	Number and Street 2: SEOUL FINANCE CENTER	
City: SEOUL	State: Country: Korea, South	ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Telephone Number: 972-628-4100	Facsimile Number, if any:
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If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?  
4

Are other business activities conducted at this office location? (check all that apply)

☐ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☐ (3) Insurance broker or agent

- ☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)  
☐ (5) Registered municipal advisor  
☐ (6) Accountant or accounting firm  
☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

#### SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: HTTP://HIGHLANDCAPITAL.COM/

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://TWITTER.COM/HIGHLANDCAPMGMT

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.LINKEDIN.COM/COMPANY/164190/

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.FACEBOOK.COM/HIGHLANDCAPITALMGMT/

#### SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:  
HIGHLAND CAPITAL MANAGEMENT, L.P.

Number and Street 1:  
136, SEJONG-DAERO, JUNG-GU

City:  
SEOUL

State:

Number and Street 2:  
SEOUL FINANCE CENTER

Country:  
Korea, South

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Telephone Number:  
972-628-4100

Facsimile number, if any:

This is (check one):

- ☒ one of your branch offices or affiliates.  
☐ a third-party unaffiliated recordkeeper.  
☐ other.

Briefly describe the books and records kept at this location.  
PRIMARILY MARKETING AND ADVERTISING MATERIALS.

Name of entity where books and records are kept:  
IRON MOUNTAIN

Number and Street 1:  
1402 LAKEWAY DRIVE

City:  
LEWISVILLE

State:  
Texas

Number and Street 2:

Country:  
United States

ZIP+4/Postal Code:  
75057-6000

If this address is a private residence, check this box: ☐

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

OFFSITE STORAGE AND BACKUP OF FILES MAINTAINED AT OTHER BRANCH OFFICES.

Name of entity where books and records are kept:

GLOBAL RELAY COMMUNICATIONS

Number and Street 1: 220 CAMBIE STREET		Number and Street 2: 2ND FLOOR	
City: VANCOUVER	State:	Country: Canada	ZIP+4/Postal Code: V6B2M9

If this address is a private residence, check this box: ☐

Telephone Number: 8664846630	Facsimile number, if any:
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This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

EMAIL ARCHIVING

Name of entity where books and records are kept:

AMAZON WEB SERVICES (AWS)

Number and Street 1: 410 TERRY AVENUE NORTH		Number and Street 2:	
City: SEATTLE	State: Washington	Country: United States	ZIP+4/Postal Code: 98108-5210

If this address is a private residence, check this box: ☐

Telephone Number: 9999999999	Facsimile number, if any:
---------------------------------	---------------------------

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

CLOUD BASED E-STORAGE

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

List the name and country, in English, of each *foreign financial regulatory authority* with which you are registered. You must complete a separate Schedule D Section 1.M. for each *foreign financial regulatory authority* with whom you are registered.

Other:

Name of Country/*Foreign Financial Regulatory Authority*:

South Korea - Financial Supervisory Commission / Financial Supervisory Service

Other:

## Item 2 SEC Registration/Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). [Part 1A Instruction 2](#) provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

- ☒ (1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or
  - (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- ☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or
  - (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;  
*Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- (3) Reserved
- ☐ (4) have your *principal office and place of business* **outside the United States**;
- ☐ (5) are an **investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐ (6) are an **investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☐ (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐ (8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;  
*If you check this box, complete [Section 2.A.\(8\) of Schedule D](#).*
- ☐ (9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;  
*If you check this box, complete [Section 2.A.\(9\) of Schedule D](#).*
- ☐ (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);  
*If you check this box, complete [Section 2.A.\(10\) of Schedule D](#).*
- ☐ (11) are an **Internet adviser** relying on rule 203A-2(e);
- ☐ (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;  
*If you check this box, complete [Section 2.A.\(12\) of Schedule D](#).*
- ☐ (13) are **no longer eligible** to remain registered with the SEC.

## State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to

Jurisdictions

<input type="checkbox"/> AL	<input type="checkbox"/> IL	<input type="checkbox"/> NE	<input type="checkbox"/> SC
<input type="checkbox"/> AK	<input type="checkbox"/> IN	<input type="checkbox"/> NV	<input type="checkbox"/> SD
<input type="checkbox"/> AZ	<input type="checkbox"/> IA	<input type="checkbox"/> NH	<input type="checkbox"/> TN
<input type="checkbox"/> AR	<input type="checkbox"/> KS	<input type="checkbox"/> NJ	<input type="checkbox"/> TX
<input type="checkbox"/> CA	<input type="checkbox"/> KY	<input type="checkbox"/> NM	<input type="checkbox"/> UT
<input type="checkbox"/> CO	<input type="checkbox"/> LA	<input type="checkbox"/> NY	<input type="checkbox"/> VT
<input type="checkbox"/> CT	<input type="checkbox"/> ME	<input type="checkbox"/> NC	<input type="checkbox"/> VI
<input type="checkbox"/> DE	<input type="checkbox"/> MD	<input type="checkbox"/> ND	<input type="checkbox"/> VA
<input type="checkbox"/> DC	<input type="checkbox"/> MA	<input type="checkbox"/> OH	<input type="checkbox"/> WA
<input type="checkbox"/> FL	<input type="checkbox"/> MI	<input type="checkbox"/> OK	<input type="checkbox"/> WV
<input type="checkbox"/> GA	<input type="checkbox"/> MN	<input type="checkbox"/> OR	<input type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input type="checkbox"/> PA	<input type="checkbox"/> WY
<input type="checkbox"/> HI	<input type="checkbox"/> MO	<input type="checkbox"/> PR	
<input type="checkbox"/> ID	<input type="checkbox"/> MT	<input type="checkbox"/> RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

**SECTION 2.A.(8) Related Adviser**

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

-

**SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days**

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

**SECTION 2.A.(10) Multi-State Adviser**

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.
- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

**SECTION 2.A.(12) SEC Exemptive Order**

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Date of order:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

☐ Corporation

☐ Sole Proprietorship

☐ Limited Liability Partnership (LLP)

☐ Partnership

☐ Limited Liability Company (LLC)

☒ Limited Partnership (LP)

☐ Other (specify):

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

StateCountry

DelawareUnited States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

Item 4 Successions

YesNo

A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?

☐

☒

If "yes", complete Item 4.B. and [Section 4 of Schedule D](#).

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See [Part 1A Instruction 4](#).

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. [Part 1A Instruction 5.a.](#) provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.

12

- B.

(1)

Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?

6

(2)

Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?

0

(3)

Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?

0

(4)

Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?

0

(5)

Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?

0

(6)

Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?

0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

- C.

(1)

To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?

0

(2)

Approximately what percentage of your *clients* are non-United States persons?

85%
- D.

For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.

The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of <i>Client</i>	(1) Number of <i>Client(s)</i>	(2) Fewer than 5 <i>Clients</i>	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i> )	0	<input type="checkbox"/>	\$ 0
(b) <i>High net worth individuals</i>	0	<input type="checkbox"/>	\$ 0
(c) Banking or thrift institutions	0	<input type="checkbox"/>	\$ 0
(d) Investment companies	0		\$ 0
(e) Business development companies	0		\$ 0
(f) Pooled investment vehicles (other than investment companies and business development companies)	24		\$ 271,892,320
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	0	<input type="checkbox"/>	\$ 0
(h) Charitable organizations	0	<input type="checkbox"/>	\$ 0
(i) State or municipal <i>government entities</i> (including government pension plans)	1	<input checked="" type="checkbox"/>	\$ 25,021,154
(j) Other investment advisers	0	<input type="checkbox"/>	\$ 0
(k) Insurance companies	0	<input type="checkbox"/>	\$ 0
(l) Sovereign wealth funds and foreign official institutions	0	<input type="checkbox"/>	\$ 0
(m) Corporations or other businesses not listed above	0	<input type="checkbox"/>	\$ 0

Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

- ☒ (1) A percentage of assets under your management  
☐ (2) Hourly charges  
☐ (3) Subscription fees (for a newsletter or periodical)  
☐ (4) Fixed fees (other than subscription fees)  
☐ (5) Commissions  
☒ (6) *Performance-based fees*  
☐ (7) Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios? ☒ ☐

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

	U.S. Dollar Amount	Total Number of Accounts
Discretionary:	(a) \$ 296,913,474	(d) 25
Non-Discretionary:	(b) \$ 0	(e) 0
Total:	(c) \$ 296,913,474	(f) 25

*Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.*

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-United States persons?

\$ 252,376,453

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- ☐ (1) Financial planning services  
☐ (2) Portfolio management for individuals and/or small businesses  
☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)  
☒ (4) Portfolio management for pooled investment vehicles (other than investment companies)  
☒ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)  
☐ (6) Pension consulting services  
☐ (7) Selection of other advisers (including *private fund* managers)  
☐ (8) Publication of periodicals or newsletters  
☐ (9) Security ratings or pricing services  
☐ (10) Market timing services  
☐ (11) Educational seminars/workshops  
☐ (12) Other(specify):

*Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.*

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ☒ 0  
☐ 1 - 10  
☐ 11 - 25  
☐ 26 - 50  
☐ 51 - 100  
☐ 101 - 250  
☐ 251 - 500  
☐ More than 500

If more than 500, how many?  
(round to the nearest 500)

*In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship*



- I. (1) Do you participate in a *wrap fee program*? ☐ ☐
- (2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:
- (a) *sponsor* to a *wrap fee program*  
\$
- (b) portfolio manager for a *wrap fee program*?  
\$
- (c) *sponsor* to and portfolio manager for the same *wrap fee program*?  
\$

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a *wrap fee program*, list the names of the programs, their sponsors and related information in [Section 5.I.\(2\) of Schedule D](#).

If your involvement in a *wrap fee program* is limited to recommending *wrap fee programs* to your clients, or you advise a mutual fund that is offered through a *wrap fee program*, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

Yes No

- J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments? ☐ ☐
- (2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management? ☐ ☐

K. Separately Managed Account *Clients*

Yes No

- (1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f) (separately managed account *clients*)? ☐ ☐

If yes, complete [Section 5.K.\(1\) of Schedule D](#).

- (2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise? ☐ ☐

If yes, complete [Section 5.K.\(2\) of Schedule D](#).

- (3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise? ☐ ☐

If yes, complete [Section 5.K.\(2\) of Schedule D](#).

- (4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management? ☐ ☐

If yes, complete [Section 5.K.\(3\) of Schedule D](#) for each custodian.

L. Marketing Activities

Yes No

- (1) Do any of your *advertisements* include:

(a) Performance results? ☐ ☐

(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))? ☐ ☐

(c) *Testimonials* (other than those that satisfy rule 206(4)-1(b)(4)(ii))? ☐ ☐

(d) *Endorsements* (other than those that satisfy rule 206(4)-1(b)(4)(ii))? ☐ ☐

(e) *Third-party ratings*? ☐ ☐

- (2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of *testimonials*, *endorsements*, or *third-party ratings*? ☐ ☐

- (3) Do any of your *advertisements* include *hypothetical performance* ? ☐ ☐

- (4) Do any of your *advertisements* include *predecessor performance* ? ☐ ☐

SECTION 5.I.(2) Wrap Fee Programs

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)	Asset Type	Mid-year	End of year
	(i) Exchange-Traded Equity Securities	%	%
	(ii) Non Exchange-Traded Equity Securities	%	%
	(iii) U.S. Government/Agency Bonds	%	%
	(iv) U.S. State and Local Bonds	%	%
	(v) <i>Sovereign Bonds</i>	%	%
	(vi) Investment Grade Corporate Bonds	%	%
	(vii) Non-Investment Grade Corporate Bonds	%	%
	(viii) Derivatives	%	%
	(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
	(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
	(xi) Cash and Cash Equivalents	%	%
	(xii) Other	%	%

Generally describe any assets included in "Other"

(b)	Asset Type	End of year
	(i) Exchange-Traded Equity Securities	0 %
	(ii) Non Exchange-Traded Equity Securities	74 %
	(iii) U.S. Government/Agency Bonds	0 %
	(iv) U.S. State and Local Bonds	0 %
	(v) <i>Sovereign Bonds</i>	0 %
	(vi) Investment Grade Corporate Bonds	0 %
	(vii) Non-Investment Grade Corporate Bonds	0 %
	(viii) Derivatives	0 %
	(ix) Securities Issued by Registered Investment Companies or Business Development Companies	0 %
	(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	0 %
	(xi) Cash and Cash Equivalents	2 %
	(xii) Other	24 %

**SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowings and Derivatives**

☐ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10%	\$	\$
10-149%	\$	\$
150% or more	\$	\$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

### SECTION 5.K.(3) Custodians for Separately Managed Accounts

Complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of your aggregate separately managed account regulatory assets under management.

- (a) Legal name of custodian:  
THE BANK OF NEW YORK MELLON
- (b) Primary business name of custodian:  
BNY MELLON
- (c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :
- |          |          |               |
|----------|----------|---------------|
| City:    | State:   | Country:      |
| NEW YORK | New York | United States |
- Yes No**
- (d) Is the custodian a *related person* of your firm? ☐ ☒
- (e) If the custodian is a broker-dealer, provide its SEC registration number (if any)  
-
- (f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)
- (g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?  
\$ 74,501,290

### Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☐ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete *Section 6.A. of Schedule D.*

- Yes No**
- B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)? ☐ ☒
- (2) If yes, is this other business your primary business? ☐ ☒

If "yes," describe this other business on [Section 6.B.\(3\) of Schedule D](#), and if you engage in this business under a different name, provide that name.

**SECTION 6.A. Names of Your Other Businesses**

No Information Filed

**SECTION 6.B.(2) Description of Primary Business**

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

**SECTION 6.B.(3) Description of Other Products and Services**

Describe other products or services you sell to your *client*. You may omit products and services that you listed in [Section 6.B.\(2\)](#) above.

If you engage in that business under a different name, provide that name:

**Item 7 Financial Industry Affiliations**

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

- A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common control with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☒ (2) other investment adviser (including financial planners)
- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☒ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under [Item 5.B.\(1\)](#). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under [Item 5.B.\(2\)](#).*

*Note that if you are filing an umbrella registration, you should not check [Item 7.A.\(2\)](#) with respect to your relying advisers, and you do not have to complete [Section 7.A.](#) in [Schedule D](#) for your relying advisers. You should complete a [Schedule R](#) for each relying adviser.*

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete [Section 7.A. of Schedule D](#).*

*You do not need to complete [Section 7.A. of Schedule D](#) for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete [Section 7.A. of Schedule D](#) for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

**SECTION 7.A. Financial Industry Affiliations**

1. Legal Name of <i>Related Person</i> : HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.	
2. Primary Business Name of <i>Related Person</i> : HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.	
3. <i>Related Person's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-) - or Other	
4. <i>Related Person's</i> (a) CRD Number (if any):  (b) CIK Number(s) (if any):  No Information Filed	
5. <i>Related Person</i> is: (check all that apply) (a) <input type="checkbox"/> broker-dealer, municipal securities dealer, or government securities broker or dealer (b) <input type="checkbox"/> other investment adviser (including financial planners) (c) <input type="checkbox"/> registered municipal advisor (d) <input type="checkbox"/> registered security-based swap dealer (e) <input type="checkbox"/> major security-based swap participant (f) <input type="checkbox"/> commodity pool operator or commodity trading advisor (whether registered or exempt from registration) (g) <input type="checkbox"/> futures commission merchant (h) <input type="checkbox"/> banking or thrift institution (i) <input type="checkbox"/> trust company (j) <input type="checkbox"/> accountant or accounting firm (k) <input type="checkbox"/> lawyer or law firm (l) <input type="checkbox"/> insurance company or agency (m) <input type="checkbox"/> pension consultant (n) <input type="checkbox"/> real estate broker or dealer (o) <input type="checkbox"/> sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles (p) <input checked="" type="checkbox"/> sponsor, general partner, managing member (or equivalent) of pooled investment vehicles	
6. Do you <i>control</i> or are you <i>controlled</i> by the <i>related person</i> ?	<div>Yes No</div> <div><input type="radio"/> <input checked="" type="radio"/></div>
7. Are you and the <i>related person</i> under common <i>control</i> ?	<div>Yes No</div> <div><input checked="" type="radio"/> <input type="radio"/></div>
8. (a) Does the <i>related person</i> act as a qualified custodian for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ? (b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the <i>related person</i> and thus are not required to obtain a surprise examination for your <i>clients'</i> funds or securities that are maintained at the <i>related person</i> ? (c) If you have answered "yes" to question 8.(a) above, provide the location of the <i>related person's</i> office responsible for <i>custody</i> of your <i>clients'</i> assets: Number and Street 1: _____ Number and Street 2: _____ City: _____ State: _____ Country: _____ ZIP+4/Postal Code: _____ If this address is a private residence, check this box: <input type="checkbox"/>	<div>Yes No</div> <div><input type="radio"/> <input checked="" type="radio"/></div> <div><input type="radio"/> <input type="radio"/></div>
9. (a) If the <i>related person</i> is an investment adviser, is it exempt from registration? (b) If the answer is yes, under what exemption?	<div>Yes No</div> <div><input type="radio"/> <input type="radio"/></div>
10. (a) Is the <i>related person</i> registered with a <i>foreign financial regulatory authority</i> ? (b) If the answer is yes, list the name and country, in English of each <i>foreign financial regulatory authority</i> with which the <i>related person</i> is registered. No Information Filed	<div>Yes No</div> <div><input type="radio"/> <input checked="" type="radio"/></div>
11. Do you and the <i>related person</i> share any <i>supervised persons</i> ?	<div>Yes No</div> <div><input checked="" type="radio"/> <input type="radio"/></div>
12. Do you and the <i>related person</i> share the same physical location?	<div>Yes No</div> <div><input checked="" type="radio"/> <input type="radio"/></div>

1. Legal Name of *Related Person*:  
HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

2. Primary Business Name of *Related Person*:

3. *Related Person's SEC File Number* (if any) (e.g., 801-, 802-, 803-, 804-, 805-, 806-, 807-, 808-, 809-, 810-, 811-, 812-, 813-, 814-, 815-, 816-, 817-, 818-, 819-, 820-, 821-, 822-, 823-, 824-, 825-, 826-, 827-, 828-, 829-, 830-, 831-, 832-, 833-, 834-, 835-, 836-, 837-, 838-, 839-, 840-, 841-, 842-, 843-, 844-, 845-, 846-, 847-, 848-, 849-, 850-, 851-, 852-, 853-, 854-, 855-, 856-, 857-, 858-, 859-, 860-, 861-, 862-, 863-, 864-, 865-, 866-, 867-, 868-, 869-, 870-, 871-, 872-, 873-, 874-, 875-, 876-, 877-, 878-, 879-, 880-, 881-, 882-, 883-, 884-, 885-, 886-, 887-, 888-, 889-, 890-, 891-, 892-, 893-, 894-, 895-, 896-, 897-, 898-, 899-, 900-, 901-, 902-, 903-, 904-, 905-, 906-, 907-, 908-, 909-, 910-, 911-, 912-, 913-, 914-, 915-, 916-, 917-, 918-, 919-, 920-, 921-, 922-, 923-, 924-, 925-, 926-, 927-, 928-, 929-, 930-, 931-, 932-, 933-, 934-, 935-, 936-, 937-, 938-, 939-, 940-, 941-, 942-, 943-, 944-, 945-, 946-, 947-, 948-, 949-, 950-, 951-, 952-, 953-, 954-, 955-, 956-, 957-, 958-, 959-, 960-, 961-, 962-, 963-, 964-, 965-, 966-, 967-, 968-, 969-, 970-, 971-, 972-, 973-, 974-, 975-, 976-, 977-, 978-, 979-, 980-, 981-, 982-, 983-, 984-, 985-, 986-, 987-, 988-, 989-, 990-, 991-, 992-, 993-, 994-, 995-, 996-, 997-, 998-, 999-, 1000-)

-  
or  
Other

4. *Related Person's*

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person* is: (check all that apply)

- (a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
- (b) ☐ other investment adviser (including financial planners)
- (c) ☐ registered municipal advisor
- (d) ☐ registered security-based swap dealer
- (e) ☐ major security-based swap participant
- (f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer
- (o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes No

6. Do you *control* or are you *controlled* by the *related person*?☐ ☒7. Are you and the *related person* under common *control*?☒ ☐8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?☐ ☒(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?☐ ☐(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?☐ ☐

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?☒ ☐(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.**Name of Country/English Name of Foreign Financial Regulatory Authority**

South Korea - Financial Supervisory Commission / Financial Supervisory Service

11. Do you and the *related person* share any *supervised persons*?☒ ☐12. Do you and the *related person* share the same physical location?☐ ☒1. Legal Name of *Related Person*:

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

2. Primary Business Name of *Related Person*:

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-

or



4. *Related Person's*

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person is:* (check all that apply)

- (a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
- (b) ☐ other investment adviser (including financial planners)
- (c) ☐ registered municipal advisor
- (d) ☐ registered security-based swap dealer
- (e) ☐ major security-based swap participant
- (f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer
- (o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes No

6. Do you *control* or are you *controlled* by the *related person*?

☐ ☒

7. Are you and the *related person* under common *control*?

☒ ☐

8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?

☐ ☒

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

☐ ☒

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?

☐ ☒

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?

☐ ☒

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11. Do you and the *related person* share any *supervised persons*?

☒ ☐

12. Do you and the *related person* share the same physical location?

☒ ☐

**Item 7 Private Fund Reporting**

Yes No

B. Are you an adviser to any *private fund*?

☒ ☐

If "yes," then for each *private fund* that you advise, you must complete a [Section 7.B.\(1\) of Schedule D](#), except in certain circumstances described in the next sentence and in [Instruction 6 of the Instructions to Part 1A](#). If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such *private fund* in [Section 7.B.\(1\) of Schedule D](#) of its Form ADV (e.g., if you are a subadviser), do not complete [Section 7.B.\(1\) of Schedule D](#) with respect to that *private fund*. You must, instead, complete [Section 7.B.\(2\) of Schedule D](#).

In either case, if you seek to preserve the anonymity of a *private fund* client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the *private fund* in [Section 7.B.\(1\) or 7.B.\(2\) of Schedule D](#) using the same code or designation in place of the fund's name.



## A. PRIVATE FUND

**Information About the Private Fund**

1. (a) Name of the
- private fund*
- :

HIGHLAND MULTI STRATEGY CREDIT FUND, L.P.

- (b)
- Private fund*
- identification number:

(include the "805-" prefix also)

805-9872591840

2. Under the laws of what state or country is the
- private fund*
- organized:

State:

Delaware

Country:

United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or
- persons*
- serving in a similar capacity):

**Name of General Partner, Manager, Trustee, or Director**

HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.

- (b) If filing an
- umbrella registration*
- , identify the
- filing adviser*
- and/or
- relying adviser(s)*
- that sponsor(s) or manage(s) this
- private fund*
- .

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT, L.P.

4. The
- private fund*
- (check all that apply; you must check at least one):

☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each
- foreign financial regulatory authority*
- with which the
- private fund*
- is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☒ ☐

- (b) If yes, what is the name and
- private fund*
- identification number (if any) of the feeder funds investing in this
- private fund*
- ?

**Name of private fund**

HIGHLAND MULTI STRATEGY CREDIT FUND, LTD

**Private fund identification number**

805-1960274517

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and
- private fund*
- identification number (if any) of the master fund in which this
- private fund*
- invests?

Name of *private fund*:*Private fund* identification number:

(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

**Additional Feeder Fund Information : 1 Record(s) Filed.**

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

- (a) Name of the
- private fund*
- :

HIGHLAND MULTI STRATEGY CREDIT FUND, LTD

(c) Under the laws of what state or country is the *private fund* organized:

State: Country:  
Cayman Islands

(d) (1) Name(s) of General Partner, Manager, Trustee or Directors (or *persons* serving in a similar capacity):

**Name of General Partner, Manager, Trustee or Director**

JAMES P. SEERY, JR.

(d) (2) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*:

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT, L.P.

(e) The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

(f) List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

**Name of Country/English Name of Foreign Financial Regulatory Authority**

Cayman Islands - Cayman Islands Stock Exchange Authority

Other - CAYMAN ISLANDS MONETARY AUTHORITY

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8. (a) Is this *private fund* a "fund of funds"?

Yes No

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☐

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

Yes No

☐ ☒

10. What type of fund is the *private fund*?

☒ hedge fund ☐ liquidity fund ☐ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 142,554,481

**Ownership**

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

3

14. What is the approximate percentage of the *private fund* beneficially owned by you and your related persons:  
59%
15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
0%

Yes No

- (b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
55%

#### Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

- (b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

- (b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

*NOTE: For purposes of this question, do not consider feeder funds of the private fund.*

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
0%

#### Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

#### B. SERVICE PROVIDERS

##### Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

- (2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

##### Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

- (b) Name of the auditing firm:  
COHEN AND COMPANY

- (c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):  
City: CLEVELAND State: Ohio Country: United States

Yes No

- (d) Is the auditing firm an *independent public accountant*? ☒ ☐

If "yes," Public Company Accounting Oversight Board Assigned Number:

925

- (f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

Yes No

- (g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

- (h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

#### Prime Broker

Yes No

24. (a) Does the *private fund* use one or more prime brokers?

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

#### Custodian

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

#### Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

- (b) Legal name of custodian:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

- (c) Primary business name of custodian:

BANK OF NEW YORK

- (d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

HOUSTON

State:

Texas

Country:

United States

Yes No

- (e) Is the custodian a *related person* of your firm?

- (f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

- (g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

WFLPEPC7FZXENRZV188

#### Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

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Exhibit Exhibits 53-58 Page 587 of 692  
Case 3:23-cv-02071-E Document 23-33 Filed 12/07/23 Page 133 of 214 PageID 7731

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

(c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

Yes No

(d) Is the administrator a *related person* of your firm?

☐ ☒

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

81%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

**Marketers**

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

**A. PRIVATE FUND**

**Information About the *Private Fund***

1. (a) Name of the *private fund*:

HIGHLAND RESTORATION CAPITAL PARTNERS MASTER, LP

(b) *Private fund* identification number:

(include the "805-" prefix also)

805-4547867916

2. Under the laws of what state or country is the *private fund* organized:

State:

Delaware

Country:

United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

**Name of General Partner, Manager, Trustee, or Director**

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒

- (b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

- (b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☒

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 119,268,136

#### Ownership

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 10,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the

6

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

15%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

100%

#### Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

*NOTE: For purposes of this question, do not consider feeder funds of the private fund.*

20. Approximately what percentage of your *clients* has invested in the *private fund*?

0%

#### Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☒ ☐

22. If yes, provide the *private fund's* Form D file number (if any):

Form D file number

021-120530

#### B. SERVICE PROVIDERS

##### Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

#### Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:

COHEN AND COMPANY

	Yes	No
(d) Is the auditing firm an <i>independent public accountant</i> ?	<input checked="" type="radio"/>	<input type="radio"/>
(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?	<input checked="" type="radio"/>	<input type="radio"/>
If yes, Public Company Accounting Oversight Board-Assigned Number: 925		
(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?	<input checked="" type="radio"/>	<input type="radio"/>

	Yes	No
(g) Are the <i>private fund's</i> audited financial statements for the most recently completed fiscal year distributed to the <i>private fund's</i> investors?	<input checked="" type="radio"/>	<input type="radio"/>
(h) Do all of the reports prepared by the auditing firm for the <i>private fund</i> since your last <i>annual updating amendment</i> contain unqualified opinions?	<input checked="" type="radio"/>	<input type="radio"/>
<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Report Not Yet Received		
If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.		

#### Prime Broker

	Yes	No
24. (a) Does the <i>private fund</i> use one or more prime brokers?	<input type="radio"/>	<input checked="" type="radio"/>
If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the <i>private fund</i> uses. If the <i>private fund</i> uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.		
No Information Filed		

#### Custodian

	Yes	No
25. (a) Does the <i>private fund</i> use any custodians (including the prime brokers listed above) to hold some or all of its assets?	<input checked="" type="radio"/>	<input type="radio"/>
If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the <i>private fund</i> uses. If the <i>private fund</i> uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.		
<b>Additional Custodian Information : 1 Record(s) Filed.</b>		
If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the <i>private fund</i> uses. If the <i>private fund</i> uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.		
(b) Legal name of custodian: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION		
(c) Primary business name of custodian: BANK OF NEW YORK		
(d) The location of the custodian's office responsible for <i>custody</i> of the <i>private fund's</i> assets (city, state and country): City: HOUSTON State: Texas Country: United States		
(e) Is the custodian a <i>related person</i> of your firm?	<input type="radio"/>	<input checked="" type="radio"/>
(f) If the custodian is a broker-dealer, provide its SEC registration number (if any): - CRD Number (if any):		
(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its legal entity identifier (if any)		



Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

- (b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

- (c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

Yes No

- (d) Is the administrator a *related person* of your firm?

☐ ☒

- (e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

- (f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

98%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

## A. PRIVATE FUND

**Information About the *Private Fund***

1. (a) Name of the *private fund*:

HIGHLAND RESTORATION CAPITAL PARTNERS, L.P.

- (b) *Private fund* identification number:

(include the "805-" prefix also)

805-2103133324

2. Under the laws of what state or country is the *private fund* organized:

State:

Delaware

Country:

United States

008130

Name of General Partner, Manager, Trustee, or Director

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

Filing Adviser/Relying Adviser Name

HIGHLAND CAPITAL MANAGEMENT, L.P.

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

(c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?☐ ☐

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 97,014,675

008131

12. Minimum investment commitment required of investors in the *private fund*:

\$ 10,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

5

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

19%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the *private fund* qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

0%

**Your Advisory Services**

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

0%

**Private Offering**

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☒ ☐22. If yes, provide the *private fund's* Form D file number (if any):

Form D file number

021-120513

**B. SERVICE PROVIDERS****Auditors**

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one

008132

COHEN AND COMPANY

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:

CLEVELAND

State:

Ohio

Country:

United States

Yes No

(d) Is the auditing firm an *independent public accountant*? ☒ ☐(e) Is the auditing firm registered with the Public Company Accounting Oversight Board? ☒ ☐

If yes, Public Company Accounting Oversight Board-Assigned Number:

925

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules? ☒ ☐

Yes No

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors? ☒ ☐(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

**Prime Broker**

Yes No

24. (a) Does the *private fund* use one or more prime brokers? ☐ ☒If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

**Custodian**

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets? ☒ ☐If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.**Additional Custodian Information : 1 Record(s) Filed.**If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

(c) Primary business name of custodian:

BANK OF NEW YORK

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

HOUSTON

State:

Texas

Country:

United States

Yes No

(e) Is the custodian a *related person* of your firm? ☐ ☒

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

008133

- (g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

WFLPEPC7FZXENRZV188

#### Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

#### Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

- (b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

- (c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

Yes No

- (d) Is the administrator a *related person* of your firm?

☐ ☒

- (e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

- (f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

98%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

#### Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

#### A. PRIVATE FUND

##### Information About the *Private Fund*

1. (a) Name of the *private fund*:

STONEBRIDGE-HIGHLAND HEALTHCARE PRIVATE EQUITY FUND

- (b) *Private fund* identification number:

(include the "805-" prefix also)

008134

2. Under the laws of what state or country is the *private fund* organized:

State:

Country:

Korea, South

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

No Information Filed

- (b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

**Name of Country/English Name of Foreign Financial Regulatory Authority**

South Korea - Financial Supervisory Commission / Financial Supervisory Service

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒

- (b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

- (b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☒

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ other *private fund*:

008135

11. Current gross asset value of the *private fund*:

\$ 118,073,343

#### **Ownership**

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 0

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

7

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

6%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☒

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

100%

#### **Your Advisory Services**

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

0%

#### **Private Offering**

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

#### **B. SERVICE PROVIDERS**

##### **Auditors**

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☐ ☒

008136

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm,

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:

DELOITTE ANJIN, LCC

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:

State:

Country:

SEOUL

Korea, South

Yes No

(d) Is the auditing firm an *independent public accountant*?

☒ ☐

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

☐ ☒

If yes, Public Company Accounting Oversight Board-Assigned Number:

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

☐ ☐

Yes No

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

☒ ☐

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

#### Prime Broker

Yes No

24. (a) Does the *private fund* use one or more prime brokers?

☐ ☒

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

#### Custodian

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

☒ ☐

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

#### Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

KEB HANA BANK

(c) Primary business name of custodian:

KEB HANA BANK

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

State:

Country:

SEOUL

Korea, South

008137

Yes No



(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

#### Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

#### Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SHINHAN AITAS

(c) Location of administrator (city, state and country):

City:

SEOUL

State:

Country:

Korea, South

Yes No

(d) Is the administrator a *related person* of your firm?

☐ ☒

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

30%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

#### Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

**Item 8 Participation or Interest in *Client* Transactions**

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

**Proprietary Interest in *Client* Transactions**

- |  |                                  |                       |
|--|----------------------------------|-----------------------|
| A. Do you or any <i>related person</i> :   | <b>Yes</b>                       | <b>No</b>             |
| (1) buy securities for yourself from advisory <i>clients</i> , or sell securities you own to advisory <i>clients</i> (principal transactions)?   | <input checked="" type="radio"/> | <input type="radio"/> |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/> |
| (3) recommend securities (or other investment products) to advisory <i>clients</i> in which you or any <i>related person</i> has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))? | <input checked="" type="radio"/> | <input type="radio"/> |

**Sales Interest in *Client* Transactions**

- |  |                                  |                                  |
|--|----------------------------------|----------------------------------|
| B. Do you or any <i>related person</i> :   | <b>Yes</b>                       | <b>No</b>                        |
| (1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory <i>client</i> securities are sold to or bought from the brokerage customer (agency cross transactions)?        | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) recommend to advisory <i>clients</i> , or act as a purchaser representative for advisory <i>clients</i> with respect to, the purchase of securities for which you or any <i>related person</i> serves as underwriter or general or managing partner?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) recommend purchase or sale of securities to advisory <i>clients</i> for which you or any <i>related person</i> has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)? | <input checked="" type="radio"/> | <input type="radio"/>            |

**Investment or Brokerage Discretion**

- |   |                                  |                                  |
|---|----------------------------------|----------------------------------|
| C. Do you or any <i>related person</i> have <i>discretionary authority</i> to determine the:  | <b>Yes</b>                       | <b>No</b>                        |
| (1) securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (2) amount of securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions?  | <input checked="" type="radio"/> | <input type="radio"/>            |
|   |                                  |                                  |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/>            |
|   |                                  |                                  |
| F. If you answer "yes" to E. above, are any of the brokers or dealers <i>related persons</i> ?  | <input type="radio"/>            | <input checked="" type="radio"/> |
| G. (1) Do you or any <i>related person</i> receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with <i>client</i> securities transactions?                               | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any <i>related persons</i> receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| H. (1) Do you or any <i>related person</i> , directly or indirectly, compensate any <i>person</i> that is not an <i>employee</i> for <i>client</i> referrals?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) Do you or any <i>related person</i> , directly or indirectly, provide any <i>employee</i> compensation that is specifically related to obtaining <i>clients</i> for the firm (cash or non-cash compensation in addition to the <i>employee's</i> regular salary)? | <input type="radio"/>            | <input checked="" type="radio"/> |
| I. Do you or any <i>related person</i> , including any <i>employee</i> , directly or indirectly, receive compensation from any <i>person</i> (other than you or any <i>related person</i> ) for <i>client</i> referrals?  | <input type="radio"/>            | <input checked="" type="radio"/> |
- In your response to Item 8.I., do not include the regular salary you pay to an employee.*

*In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.*

**Item 9 Custody**

In this Item, we ask you whether you or a *related person* has *custody of client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

- |   |                                  |                       |
|---|----------------------------------|-----------------------|
| A. (1) Do you have <i>custody</i> of any advisory <i>clients'</i> : | <b>Yes</b>                       | <b>No</b>             |
| (a) cash or bank accounts?  | <input checked="" type="radio"/> | <input type="radio"/> |
| (b) securities?   | <input checked="" type="radio"/> | <input type="radio"/> |

008139

*If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees*

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(2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$ 100,726,146	(b) 3

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

- | B. (1) In connection with advisory services you provide to <i>clients</i> , do any of your <i>related persons</i> have <i>custody</i> of any of your advisory <i>clients</i> ': | Yes                   | No                               |
|---|-----------------------|----------------------------------|
| (a) cash or bank accounts?  | <input type="radio"/> | <input checked="" type="radio"/> |
| (b) securities?   | <input type="radio"/> | <input checked="" type="radio"/> |

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

(2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

- C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:
- |   |                                     |
|---|-------------------------------------|
| (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage.   | <input type="checkbox"/>            |
| (2) An <i>independent public accountant</i> audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools.                            | <input checked="" type="checkbox"/> |
| (3) An <i>independent public accountant</i> conducts an annual surprise examination of <i>client</i> funds and securities.  | <input type="checkbox"/>            |
| (4) An <i>independent public accountant</i> prepares an internal control report with respect to custodial services when you or your <i>related persons</i> are qualified custodians for <i>client</i> funds and securities. | <input type="checkbox"/>            |

If you checked Item 9.C.(2), C.(3) or C.(4), list in [Section 9.C. of Schedule D](#) the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in [Section 9.C. of Schedule D](#) if you already provided this information with respect to the private funds you advise in [Section 7.B.\(1\) of Schedule D](#)).

- | D. Do you or your <i>related person(s)</i> act as qualified custodians for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ? | Yes                   | No                               |
|---|-----------------------|----------------------------------|
| (1) you act as a qualified custodian  | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) your <i>related person(s)</i> act as qualified custodian(s)   | <input type="radio"/> | <input checked="" type="radio"/> |

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in [Section 7.A. of Schedule D](#), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?
- 1

SECTION 9.C. Independent Public Accountant

You must complete the following information for each *independent public accountant* engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each *independent public accountant*.

- (1) Name of the *independent public accountant*:  
COHEN AND COMPANY
- (2) The location of the *independent public accountant's* office responsible for the services provided:
- | Number and Street 1: | Number and Street 2: |
|----------------------|----------------------|
|----------------------|----------------------|

008140

Yes No

(3) Is the *independent public accountant* registered with the Public Company Accounting Oversight Board?

☒ ☐

If "yes," Public Company Accounting Oversight Board-Assigned Number:  
925

(4) If "yes" to (3) above, is the *independent public accountant* subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

☒ ☐

(5) The *independent public accountant* is engaged to:

- A. ☒ audit a pooled investment vehicle  
B. ☐ perform a surprise examination of *clients'* assets  
C. ☐ prepare an internal control report

(6) Since your last *annual updating amendment*, did all of the reports prepared by the *independent public accountant* that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

- ☒ Yes  
☐ No  
☐ Report Not Yet Received

If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.

#### Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

Yes No

A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?

☐ ☒

If yes, complete [Section 10.A. of Schedule D](#).

B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete [Section 10.B. of Schedule D](#).

#### SECTION 10.A. Control Persons

No Information Filed

#### SECTION 10.B. Control Person Public Reporting Companies

No Information Filed

#### Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.E.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary

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	Yes	No
Do any of the events below involve you or any of your supervised persons?	<input type="radio"/>	<input checked="" type="radio"/>
For "yes" answers to the following questions, complete a Criminal Action DRP:		
A. In the past ten years, have you or any advisory affiliate:	Yes	No
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been charged with any felony?	<input type="radio"/>	<input checked="" type="radio"/>
If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.		
B. In the past ten years, have you or any advisory affiliate:		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been charged with a misdemeanor listed in Item 11.B.(1)?	<input type="radio"/>	<input checked="" type="radio"/>
If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.		
For "yes" answers to the following questions, complete a Regulatory Action DRP:		
C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:	Yes	No
(1) found you or any advisory affiliate to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2) found you or any advisory affiliate to have been involved in a violation of SEC or CFTC regulations or statutes?	<input checked="" type="radio"/>	<input type="radio"/>
(3) found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) entered an order against you or any advisory affiliate in connection with investment-related activity?	<input checked="" type="radio"/>	<input type="radio"/>
(5) imposed a civil money penalty on you or any advisory affiliate, or ordered you or any advisory affiliate to cease and desist from any activity?	<input checked="" type="radio"/>	<input type="radio"/>
D. Has any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority:		
(1) ever found you or any advisory affiliate to have made a false statement or omission, or been dishonest, unfair, or unethical?	<input type="radio"/>	<input checked="" type="radio"/>
(2) ever found you or any advisory affiliate to have been involved in a violation of investment-related regulations or statutes?	<input type="radio"/>	<input checked="" type="radio"/>
(3) ever found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) in the past ten years, entered an order against you or any advisory affiliate in connection with an investment-related activity?	<input type="radio"/>	<input checked="" type="radio"/>
(5) ever denied, suspended, or revoked your or any advisory affiliate's registration or license, or otherwise prevented you or any advisory affiliate, by order, from associating with an investment-related business or restricted your or any advisory affiliate's activity?	<input type="radio"/>	<input checked="" type="radio"/>
E. Has any self-regulatory organization or commodities exchange ever:		
(1) found you or any advisory affiliate to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2) found you or any advisory affiliate to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC)?	<input type="radio"/>	<input checked="" type="radio"/>
(3) found you or any advisory affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) disciplined you or any advisory affiliate by expelling or suspending you or the advisory affiliate from membership, barring or suspending you or the advisory affiliate from association with other members, or otherwise restricting your or the advisory affiliate's activities?	<input type="radio"/>	<input checked="" type="radio"/>
F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any advisory affiliate ever been revoked or suspended?	<input type="radio"/>	<input checked="" type="radio"/>
G. Are you or any advisory affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?	<input type="radio"/>	<input checked="" type="radio"/>
For "yes" answers to the following questions, complete a Civil Judicial Action DRP:		
H. (1) Has any domestic or foreign court:	Yes	No
(a) in the past ten years, enjoined you or any advisory affiliate in connection with any investment-related activity?	<input type="radio"/>	<input checked="" type="radio"/>
(b) ever found that you or any advisory affiliate were involved in a violation of investment-related statutes or regulations?	<input type="radio"/>	<input checked="" type="radio"/>
(c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you or any advisory affiliate by a state or foreign financial regulatory authority?	<input type="radio"/>	<input checked="" type="radio"/>

**Item 12 Small Businesses**

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

**Yes No**

A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?

☐ ☐

If "yes," you do not need to answer Items 12.B. and 12.C.

B. Do you:

- (1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year? ☐ ☐
- (2) *control* another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year? ☐ ☐

C. Are you:

- (1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year? ☐ ☐
- (2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year? ☐ ☐

**Schedule A****Direct Owners and Executive Officers**

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
- (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer (Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
- (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
- (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
- (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%  
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

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FULL LEGAL NAME (Individuals:	DE/FE/I	Title or Status	Date	Title or Status	Ownership	Control	PR	CRD No. If None:	S.S. No. and
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Last Name, First Name, Middle Name)		Case 19-34054-sgj11 Doc 3818-4 Filed 06/05/23 Entered 06/05/23 22:10:41	Acquired MM/YYYY	Code	Person	Date of Birth, IRS Tax No. or Employer ID No.
SURGENT, THOMAS, JOSEPH		CHIEF FINANCIAL OFFICER AND GENERAL COUNSEL			N	5033586
Seery, James, Patrick		CHIEF EXECUTIVE OFFICER AND CHIEF RESTRUCTURING OFFICER	03/2020	NA	Y	N 4531254
Klos, David, Kelly		CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER	02/2021	NA	Y	N 6590515
HIGHLAND CLAIMANT TRUST		SOLE LIMITED PARTNER	08/2021	E	Y	N
HCMLP GP LLC		GENERAL PARTNER	08/2021	NA	Y	N

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.

2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:

(a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;

(c) in the case of an owner that is a trust, the trust and each trustee; and

(d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.

4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.

5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).

6. Ownership codes are: C - 25% but less than 50% E - 75% or more  
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)

7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
Seery, James, Patrick	I	HIGHLAND CLAIMANT TRUST	CLAIMANT TRUSTEE	08/2021	F	Y	N	4531254
HIGHLAND CLAIMANT TRUST	DE	HCMLP GP LLC	MANAGING MEMBER	08/2021	E	Y	N	

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

CERTAIN MASTER TRADING PORTFOLIOS HAVE FEEDER ENTITIES OF WHICH RELATED PARTIES OF THE MANAGER ARE THE GENERAL PARTNER OR MANAGER. IN ADDITION, CERTAIN TRADING PORTFOLIOS HAVE SUBSIDIARY PORTFOLIOS OF WHICH RELATED PARTIES OF THE MANAGER ARE THE GENERAL PARTNER OR MANAGER. THE ASSETS UNDER MANAGEMENT FOR SUCH MASTER TRADING PORTFOLIOS IS REFLECTED IN THE ASSETS IN ITS FEEDER FUNDS. SIMILARLY, THE ASSETS UNDER MANAGEMENT FOR SUCH SUBSIDIARY TRADING PORTFOLIOS IS REFLECTED IN THE ASSETS OF THE RELATED MASTER TRADING PORTFOLIO. ALL PORTFOLIO DATA AS OF 12/31/2022.

Schedule R

SECTION 1 Identifying Information

Responses to this Section tell us who you (the *relying adviser*) are, where you are doing business, and how we can contact you.

A. Your full legal name:  
HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

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- C. List any other business names and the jurisdictions in which you use them. Complete this question for each other business name.

No Information Filed

*You do not have to include the names or jurisdictions of the filing adviser or other relying adviser(s) in response to this Section 1.C.*

- D. If you currently have, or ever had, a number ("CRD Number") assigned by the *FINRA's* CRD system or by the IARD system (other than the *filing adviser's* CRD number), your CRD number:

**295035**

No Information Filed

*If you do not have a CRD number, skip this Section 1.D. Do not provide the CRD number of one of your officers, employees, or affiliates (including the filing adviser).*

- E. *Principal Office and Place of Business*

- (1) Address (do not use a P.O. Box):

☐ Same as the *filing adviser*.

Number and Street 1:

SEOUL FINANCE CENTER

City:

SEOUL

State:

Number and Street 2:

136 SEJONG-DAERO, JUNG-GU

Country:

Korea, South

ZIP+4/Postal Code:

100-768

If this address is a private residence, check this box: ☐

- (2) Days of week that you normally conduct business at your *principal office and place of business*:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

7AM-6PM

- (3) Telephone number at this location:

972-628-4100

- (4) Facsimile number at this location, if any:

972-628-4147

- F. Mailing address, if different from your *principal office and place of business* address:

☐ Same as the *filing adviser*.

Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

- G. Provide your *Legal Entity Identifier* if you have one:

*A legal entity identifier is a unique number that companies use to identify each other in the financial marketplace. You may not have a legal entity identifier.*

- H. If you have Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

No Information Filed



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A. To be a *relying adviser*, you must be independently eligible to register (or remain registered) with the SEC. You must check **at least one** of the Sections 2.A.(1) through 2.A.(8), below. **Part 1A Instruction 2** provides information to help you determine whether you may affirmatively respond to each of these items.

You (the *relying adviser*):

☐ (1) are a **large advisory firm** that either:

(a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or

(b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;

☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:

(a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or

(b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;

Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.

(3) Reserved

☐ (4) have your *principal office and place of business* **outside the United States**;

☒ (5) are a **related adviser** under rule 203A-2(b) that *controls, is controlled by, or is under common control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

☐ (6) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;

If you check this box, you must make both of the representations below:

☐ I am not registered or required to be registered with the SEC or a state securities authority and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.

☐ By submitting this Form ADV to the SEC, *the filing adviser* undertakes to file an amendment to this *umbrella registration* to remove this Schedule R if, on the 120th day after this application for *umbrella registration* with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

☐ (7) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

If this is your initial filing as a relying adviser, you must make both of these representations:

☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

☐ The *filing adviser* undertakes to file an amendment to this *umbrella registration* to remove this Schedule R if, at the time of the *annual updating amendment*, I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

☐ (8) have **received an SEC Order** exempting you from the prohibition against registration with the SEC. If you check this box, provide the following information:

Application Number: 803-      Date of Order:

☐ (9) are **no longer eligible** to remain registered with the SEC.

**SECTION 3 Form of Organization**

- A. How are you organized?
- ☒ Corporation
- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Partnership
- ☐ Limited Liability Company (LLC)
- ☐ Limited Partnership (LP)
- ☐ Other (specify):

B. In what month does your fiscal year end each year?

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State Country

Korea, South

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed.

**SECTION 4.A. Direct Owners and Executive Officers**

In this Section 4, we ask you to identify each other *person* that, directly or indirectly, *controls* you.

- (1) Section 4.A. asks for information about your direct owners and executive officers.
- (2) Direct Owners and Executive Officers. List below the names of:
- (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, director and any other individuals with similar status or functions;
- (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Section 4.A., a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
- (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
- (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
- (3) Do you have any indirect owners to be reported on Section 4.B. below? ☒ Yes ☐ No
- (4) In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
- (5) Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
- (6) Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%  
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
- (7) (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.
- Check this box if you are filing this Form ADV through the IARD system and want the IARD system to pre-fill Schedule B with the same indirect owners you have provided in Schedule B for your filing adviser. If you check the box, the system will pre-fill these fields for you, but you will be able to manually edit the information after it is pre-filled and before you submit your filing.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
HIGHLAND CAPITAL MANAGEMENT, L.P.	DE	SHAREHOLDER	06/2012	E	Y	N	110126
PARK, JUN, BOM	I	REPRESENTATIVE DIRECTOR	08/2012	NA	Y	N	6909096
Seery, James, Patrick	I	DIRECTOR	03/2021	NA	Y	N	4531254

**SECTION 4.B. Indirect Owners**

- (1) Section 4.B. asks for information about your indirect owners; you must first complete Section 4.A., which asks for information about your direct owners
- (2) Indirect Owners. With respect to each owner listed in Section 4.A. (except individual owners), list below:
- (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;
- For purposes of this Section, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
- (c) in the case of an owner that is a trust, the trust and each trustee; and
- (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have

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contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

- (3) Continue up the chain of ownership listing all 25% owners of each EEL once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act). Do not file no further information in this column.
- (4) In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
- (5) Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
- (6) Ownership codes are: C - 25% but less than 50% E - 75% or more  
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)

- (7) (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the person does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

Check this box if you are filing this Form ADV through the IARD system and want the IARD system to pre-fill Schedule B with the same indirect owners you have provided in Schedule B for your filing adviser. If you check the box, the system will pre-fill these fields for you, but you will be able to manually edit the information after it is pre-filled and before you submit your filing.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
HCMLP GP LLC	DE	HIGHLAND CAPITAL MANAGEMENT, L.P.	GENERAL PARTNER	08/2021	F	Y	N	
HIGHLAND CLAIMANT TRUST	DE	HIGHLAND CAPITAL MANAGEMENT, L.P.	SOLE LIMITED PARTNER	08/2021	E	Y	N	
HIGHLAND CLAIMANT TRUST	DE	HCMLP GP LLC	MANAGING MEMBER	08/2021	F	Y	N	
Seery, James, Patrick	I	HIGHLAND CLAIMANT TRUST	CLAIMANT TRUSTEE	08/2021	F	Y	N	4531254

#### SECTION 4.C. Control Persons

C. Does any *person* not named in Section 1.A., Section 4.A., or Section 4.B. directly or indirectly, *control* your management or policies?

Yes No



If yes, you must complete the information below for each *control person* not named in Section 1.A., Section 4.A., or Section 4.B. that directly or indirectly *controls* your management or policies.

No Information Filed

#### SECTION 4.D. Control Persons - Public Reporting Companies

No Information Filed

#### DRP Pages

##### CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

##### REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

###### GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

###### Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☒ 11.C(2)

☐ 11.C(3)

☒ 11.C(4)

☒ 11.C(5)

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Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

- Regulatory Action initiated by:  
☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
U.S. SECURITIES AND EXCHANGE COMMISSION
- Principal Sanction:  
Cease and Desist  
Other Sanctions:  
CENSURE, CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S), UNDERTAKINGS
- Date Initiated (MM/DD/YYYY):  
09/25/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
- Docket/Case Number:  
ADMINISTRATIVE PROCEEDING FILE NO. 3-16169
- Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
- Principal Product Type:  
No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON SEPTEMBER 25, 2014, HIGHLAND CAPITAL MANAGEMENT ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) RESULTING IN THE SEC'S ORDER ENTERING THIS ORDER RESOLVING THE SEC'S ALLEGATIONS THAT HIGHLAND VIOLATED SECTIONS 204(A) AND 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND RULE 204-2 THEREUNDER BY TRADING SECURITIES BETWEEN ITS CLIENTS' ACCOUNTS AND ACCOUNTS IN WHICH HIGHLAND AND ITS PRINCIPALS MAINTAINED AN OWNERSHIP INTEREST WITHOUT ADHERING TO CERTAIN REQUIREMENTS SET FORTH BY THE ADVISERS ACT. THE TRANSACTIONS OCCURRED BETWEEN 2007 AND 2009, AND MANY WERE EXECUTED IN AN EFFORT TO GENERATE OR MAINTAIN LIQUIDITY FOR THE ADVISED ACCOUNTS DURING SEPTEMBER AND OCTOBER 2008. THE ORDER FOUND THAT, DURING THE RELEVANT TIME PERIOD, HIGHLAND ENGAGED IN A NUMBER OF TRANSACTIONS WITH ITS CLIENT ADVISORY ACCOUNTS WITHOUT DISCLOSING IN WRITING TO THOSE CLIENTS THAT HIGHLAND WAS ACTING AS PRINCIPAL, OR OBTAINING CLIENT CONSENT TO THE TRANSACTIONS, BEFORE THE TRADES WERE COMPLETED. HIGHLAND DID ULTIMATELY RECEIVE CLIENT CONSENT FOR MANY OF THE TRANSACTIONS; HOWEVER, THIS CONSENT WAS RECEIVED AFTER THE TRANSACTIONS HAD SETTLED, AND THEREFORE DID NOT COMPLY WITH THE REQUIREMENTS OF ADVISERS ACT SECTION 206(3). IN ADDITION, THE ORDER FOUND THAT, DURING THE RELEVANT TIME PERIOD, HIGHLAND FAILED TO KEEP AND MAINTAIN TRUE, ACCURATE AND CURRENT CERTAIN BOOKS AND RECORDS AS REQUIRED BY THE ADVISERS ACT.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

09/25/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 225,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE ORDER REQUIRES HIGHLAND TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF ADVISERS ACT SECTIONS 204(A) AND 206(3) AND RULE 204-2; CENSURES HIGHLAND; AND REQUIRES HIGHLAND TO PAY A CIVIL MONETARY PENALTY OF \$225,000, WHICH HIGHLAND PAID ON SEPTEMBER 26, 2014. HIGHLAND MUST ALSO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING RETAINING AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF HIGHLAND'S COMPLIANCE AND CONTROL SYSTEMS RELATING TO PRINCIPAL TRADES, AND THE CREATION AND RETENTION OF ITS BOOKS AND RECORDS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, HIGHLAND CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE MATTERS IN IT (EXCEPT THE SEC'S JURISDICTION). THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS OF THE ORDER ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

#### CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

#### Part 2

##### Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

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Are you exempt from delivering a brochure to all of your clients under these rules?

If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
368358	HIGHLAND CAPITAL MANAGEMENT, L.P. ADV PART 2A	Individuals, High net worth individuals, Pension plans/profit sharing plans, Foundations/charities, Government/municipal, Other institutional, Private funds or pools
382775	HIGHLAND CAPITAL MANAGEMENT, L.P. ADV PART 2A	Individuals, High net worth individuals, Pension plans/profit sharing plans, Pension consulting, Foundations/charities, Government/municipal, Other institutional, Private funds or pools

Part 3

CRS	Type(s)	Affiliate Info	Retire
There are no CRS filings to display.			

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
THOMAS SURGENT	03/31/2023
Printed Name:	Title:
THOMAS SURGENT	CHIEF COMPLIANCE OFFICER AND GENERAL COUNSEL
Adviser CRD Number:	
110126	

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any

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2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
Printed Name:	Title:
Adviser CRD Number: 110126	

## HMIT Exhibit No. 57

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## UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: HIGHLAND CAPITAL MANAGEMENT, L.P.

CRD Number: 110126

Other-Than-Annual Amendment - All Sections

Rev. 10/2021

4/25/2023 12:27:41 PM

**WARNING:** Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

## Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):

**HIGHLAND CAPITAL MANAGEMENT, L.P.**

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.

**HIGHLAND CAPITAL MANAGEMENT, L.P.**

List on *Section 1.B. of Schedule D* any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☒

If you check this box, complete a *Schedule R* for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of

☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number: **801-54874**

(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:

(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

No Information Filed

E. (1) If you have a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, your CRD number: **110126**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional CRD Numbers, your additional CRD numbers:

No Information Filed

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):

Number and Street 1:

100 CRESCENT COURT

City:

DALLAS

State:

Texas

Number and Street 2:

SUITE 1850

Country:

United States

ZIP+4/Postal Code:

75201

If this address is a private residence, check this box: ☐

List on *Section 1.F. of Schedule D* any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business*:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

BY APPOINTMENT

(3) Telephone number at this location:

972-628-4100

(4) Facsimile number at this location, if any:

972-637-9197

(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

Yes No

I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)? ☒ ☐

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on [Section 1.I. of Schedule D](#). If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: Other titles, if any:  
Telephone number: Facsimile number, if any:  
Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if Chief Compliance Officer has one:

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:  
IRS Employer Identification Number:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name: Titles:  
Telephone number: Facsimile number, if any:  
Number and Street 1: Number and Street 2:  
City: State: Country: ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

Yes No

L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*? ☒ ☐

If "yes," complete [Section 1.L. of Schedule D](#).

Yes No

M. Are you registered with a *foreign financial regulatory authority*? ☒ ☐

Answer "no" if you are not registered with a *foreign financial regulatory authority*, even if you have an affiliate that is registered with a *foreign financial regulatory authority*. If "yes," complete [Section 1.M. of Schedule D](#).

Yes No

N. Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934? ☐ ☒

Yes No

O. Did you have \$1 billion or more in assets on the last day of your most recent fiscal year?  
If yes, what is the approximate amount of your assets:

- ☐ \$1 billion to less than \$10 billion  
☐ \$10 billion to less than \$50 billion

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your Legal Entity Identifier if you have one:  
549300BKFQI8M03HT187

A legal entity identifier is a unique number that companies use to identify each other in the financial marketplace. You may not have a legal entity identifier.

SECTION 1.B. Other Business Names

List your other business names and the jurisdictions in which you use them. You must complete a separate Schedule D Section 1.B. for each business name.

Name: HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

Jurisdictions

<input type="checkbox"/> AL	<input type="checkbox"/> IL	<input type="checkbox"/> NE	<input type="checkbox"/> SC
<input type="checkbox"/> AK	<input type="checkbox"/> IN	<input type="checkbox"/> NV	<input type="checkbox"/> SD
<input type="checkbox"/> AZ	<input type="checkbox"/> IA	<input type="checkbox"/> NH	<input type="checkbox"/> TN
<input type="checkbox"/> AR	<input type="checkbox"/> KS	<input type="checkbox"/> NJ	<input checked="" type="checkbox"/> TX
<input type="checkbox"/> CA	<input type="checkbox"/> KY	<input type="checkbox"/> NM	<input type="checkbox"/> UT
<input type="checkbox"/> CO	<input type="checkbox"/> LA	<input type="checkbox"/> NY	<input type="checkbox"/> VT
<input type="checkbox"/> CT	<input type="checkbox"/> ME	<input type="checkbox"/> NC	<input type="checkbox"/> VI
<input type="checkbox"/> DE	<input type="checkbox"/> MD	<input type="checkbox"/> ND	<input type="checkbox"/> VA
<input type="checkbox"/> DC	<input type="checkbox"/> MA	<input type="checkbox"/> OH	<input type="checkbox"/> WA
<input type="checkbox"/> FL	<input type="checkbox"/> MI	<input type="checkbox"/> OK	<input type="checkbox"/> WV
<input type="checkbox"/> GA	<input type="checkbox"/> MN	<input type="checkbox"/> OR	<input type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input type="checkbox"/> PA	<input type="checkbox"/> WY
<input type="checkbox"/> HI	<input type="checkbox"/> MO	<input type="checkbox"/> PR	<input checked="" type="checkbox"/> Other: SOUTH KOREA
<input type="checkbox"/> ID	<input type="checkbox"/> MT	<input type="checkbox"/> RI	

SECTION 1.F. Other Offices

Complete the following information for each office, other than your principal office and place of business, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an exempt reporting adviser, list only the largest twenty-five offices (in terms of numbers of employees).

Number and Street 1: 136, SEJONG-DAERO, JUNG-GU		Number and Street 2: SEOUL FINANCE CENTER	
City: SEOUL	State:	Country: Korea, South	ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Telephone Number: 972-628-4100	Facsimile Number, if any:
-----------------------------------	---------------------------

If this office location is also required to be registered with FINRA or a state securities authority as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the CRD Branch Number here:

How many employees perform investment advisory functions from this office location?  
4

Are other business activities conducted at this office location? (check all that apply)

☐ (1) Broker-dealer (registered or unregistered)

☐ (2) Bank (including a separately identifiable department or division of a bank)

☐ (3) Insurance broker or agent

Describe any other *investment-related* business activities conducted from this office location:

#### SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: HTTP://HIGHLANDCAPITAL.COM/

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://TWITTER.COM/HIGHLANDCAPMGMT

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.LINKEDIN.COM/COMPANY/164190/

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.FACEBOOK.COM/HIGHLANDCAPITALMGMT/

#### SECTION 1.L. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D, Section 1.L. for each location.

Name of entity where books and records are kept:  
GLOBAL RELAY COMMUNICATIONS

Number and Street 1:  
220 CAMBIE STREET

City:  
VANCOUVER

State:

Number and Street 2:  
2ND FLOOR

Country:  
Canada

ZIP+4/Postal Code:  
V6B2M9

If this address is a private residence, check this box: ☐

Telephone Number:  
8664846630

Facsimile number, if any:

This is (check one):

- ☐ one of your branch offices or affiliates.  
☒ a third-party unaffiliated recordkeeper.  
☐ other.

Briefly describe the books and records kept at this location.  
EMAIL ARCHIVING

Name of entity where books and records are kept:  
AMAZON WEB SERVICES (AWS)

Number and Street 1:  
410 TERRY AVENUE NORTH

City:  
SEATTLE

State:  
Washington

Number and Street 2:

Country:  
United States

ZIP+4/Postal Code:  
98108-5210

If this address is a private residence, check this box: ☐

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

CLOUD BASED E-STORAGE

Name of entity where books and records are kept:

HIGHLAND CAPITAL MANAGEMENT, L.P.

Number and Street 1:		Number and Street 2:	
136, SEJONG-DAERO, JUNG-GU		SEOUL FINANCE CENTER	
City:	State:	Country:	ZIP+4/Postal Code:
SEOUL		Korea, South	

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile number, if any:
972-628-4100	

This is (check one):

☒ one of your branch offices or affiliates.

☐ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

PRIMARILY MARKETING AND ADVERTISING MATERIALS.

Name of entity where books and records are kept:

IRON MOUNTAIN

Number and Street 1:		Number and Street 2:	
1402 LAKEWAY DRIVE			
City:	State:	Country:	ZIP+4/Postal Code:
LEWISVILLE	Texas	United States	75057-6000

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile number, if any:
972-434-2222	

This is (check one):

☐ one of your branch offices or affiliates.

☒ a third-party unaffiliated recordkeeper.

☐ other.

Briefly describe the books and records kept at this location.

OFFSITE STORAGE AND BACKUP OF FILES MAINTAINED AT OTHER BRANCH OFFICES.

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

List the name and country, in English, of each *foreign financial regulatory authority* with which you are registered. You must complete a separate Schedule D Section 1.M. for each *foreign financial regulatory authority* with whom you are registered.

Other:

Name of Country/*Foreign Financial Regulatory Authority*:

South Korea - Financial Supervisory Commission / Financial Supervisory Service

Other:

## Item 2 SEC Registration/Reporting

Responses to this Item help us (and you) determine whether you are eligible to register with the SEC. Complete this Item 2.A. only if you are applying for SEC registration or submitting an *annual updating amendment* to your SEC registration. If you are filing an *umbrella registration*, the information in Item 2 should be provided for the *filing adviser* only.

A. To register (or remain registered) with the SEC, you must check **at least one** of the Items 2.A.(1) through 2.A.(12), below. If you are submitting an *annual updating amendment* to your SEC registration and you are no longer eligible to register with the SEC, check Item 2.A.(13). [Part 1A Instruction 2](#) provides information to help you determine whether you may affirmatively respond to each of these items.

You (the adviser):

- ☒ (1) are a **large advisory firm** that either:
- (a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or
  - (b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;
- ☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:
- (a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or
  - (b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;  
*Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.*
- (3) Reserved
- ☐ (4) have your *principal office and place of business* **outside the United States**;
- ☐ (5) are an **investment adviser (or subadviser) to an investment company** registered under the Investment Company Act of 1940;
- ☐ (6) are an **investment adviser to a company which has elected to be a business development company** pursuant to section 54 of the Investment Company Act of 1940 and has not withdrawn the election, and you have at least \$25 million of regulatory assets under management;
- ☐ (7) are a **pension consultant** with respect to assets of plans having an aggregate value of at least \$200,000,000 that qualifies for the exemption in rule 203A-2(a);
- ☐ (8) are a **related adviser** under rule 203A-2(b) that *controls*, is *controlled* by, or is under common *control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;  
*If you check this box, complete [Section 2.A.\(8\) of Schedule D](#).*
- ☐ (9) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;  
*If you check this box, complete [Section 2.A.\(9\) of Schedule D](#).*
- ☐ (10) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);  
*If you check this box, complete [Section 2.A.\(10\) of Schedule D](#).*
- ☐ (11) are an **Internet adviser** relying on rule 203A-2(e);
- ☐ (12) have **received an SEC order** exempting you from the prohibition against registration with the SEC;  
*If you check this box, complete [Section 2.A.\(12\) of Schedule D](#).*
- ☐ (13) are **no longer eligible** to remain registered with the SEC.

## State Securities Authority Notice Filings and State Reporting by Exempt Reporting Advisers

C. Under state laws, SEC-registered advisers may be required to provide to *state securities authorities* a copy of the Form ADV and any amendments they file with the SEC. These are called *notice filings*. In addition, *exempt reporting advisers* may be required to provide *state securities authorities* with a copy of reports and any amendments they file with the SEC. If this is an initial application or report, check the box(es) next to the state(s) that you would like to receive notice of this and all subsequent filings or reports you submit to the SEC. If this is an amendment to direct your *notice filings* or reports to

Jurisdictions

<input type="checkbox"/> AL	<input type="checkbox"/> IL	<input type="checkbox"/> NE	<input type="checkbox"/> SC
<input type="checkbox"/> AK	<input type="checkbox"/> IN	<input type="checkbox"/> NV	<input type="checkbox"/> SD
<input type="checkbox"/> AZ	<input type="checkbox"/> IA	<input type="checkbox"/> NH	<input type="checkbox"/> TN
<input type="checkbox"/> AR	<input type="checkbox"/> KS	<input type="checkbox"/> NJ	<input type="checkbox"/> TX
<input type="checkbox"/> CA	<input type="checkbox"/> KY	<input type="checkbox"/> NM	<input type="checkbox"/> UT
<input type="checkbox"/> CO	<input type="checkbox"/> LA	<input type="checkbox"/> NY	<input type="checkbox"/> VT
<input type="checkbox"/> CT	<input type="checkbox"/> ME	<input type="checkbox"/> NC	<input type="checkbox"/> VI
<input type="checkbox"/> DE	<input type="checkbox"/> MD	<input type="checkbox"/> ND	<input type="checkbox"/> VA
<input type="checkbox"/> DC	<input type="checkbox"/> MA	<input type="checkbox"/> OH	<input type="checkbox"/> WA
<input type="checkbox"/> FL	<input type="checkbox"/> MI	<input type="checkbox"/> OK	<input type="checkbox"/> WV
<input type="checkbox"/> GA	<input type="checkbox"/> MN	<input type="checkbox"/> OR	<input type="checkbox"/> WI
<input type="checkbox"/> GU	<input type="checkbox"/> MS	<input type="checkbox"/> PA	<input type="checkbox"/> WY
<input type="checkbox"/> HI	<input type="checkbox"/> MO	<input type="checkbox"/> PR	
<input type="checkbox"/> ID	<input type="checkbox"/> MT	<input type="checkbox"/> RI	

If you are amending your registration to stop your notice filings or reports from going to a state that currently receives them and you do not want to pay that state's notice filing or report filing fee for the coming year, your amendment must be filed before the end of the year (December 31).

**SECTION 2.A.(8) Related Adviser**

If you are relying on the exemption in rule 203A-2(b) from the prohibition on registration because you *control*, are *controlled* by, or are under common *control* with an investment adviser that is registered with the SEC and your *principal office and place of business* is the same as that of the registered adviser, provide the following information:

Name of Registered Investment Adviser

CRD Number of Registered Investment Adviser

SEC Number of Registered Investment Adviser

-

**SECTION 2.A.(9) Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days**

If you are relying on rule 203A-2(c), the exemption from the prohibition on registration available to an adviser that expects to be eligible for SEC registration within 120 days, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations. You must make both of these representations:

- ☐ I am not registered or required to be registered with the SEC or a *state securities authority* and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.
- ☐ I undertake to withdraw from SEC registration if, on the 120th day after my registration with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

**SECTION 2.A.(10) Multi-State Adviser**

If you are relying on rule 203A-2(d), the multi-state adviser exemption from the prohibition on registration, you are required to make certain representations about your eligibility for SEC registration. By checking the appropriate boxes, you will be deemed to have made the required representations.

If you are applying for registration as an investment adviser with the SEC, you must make both of these representations:

- ☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.
- ☐ I undertake to withdraw from SEC registration if I file an amendment to this registration indicating that I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

- ☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

**SECTION 2.A.(12) SEC Exemptive Order**

If you are relying upon an SEC *order* exempting you from the prohibition on registration, provide the following information:

Date of order:

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

☐ Corporation

☐ Sole Proprietorship

☐ Limited Liability Partnership (LLP)

☐ Partnership

☐ Limited Liability Company (LLC)

☒ Limited Partnership (LP)

☐ Other (specify):

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

B. In what month does your fiscal year end each year?

DECEMBER

C. Under the laws of what state or country are you organized?

StateCountry

DelawareUnited States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see [Part 1A Instruction 4](#).

Item 4 Successions

YesNo

A. Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?

☐

☒

If "yes", complete Item 4.B. and [Section 4 of Schedule D](#).

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See [Part 1A Instruction 4](#).

SECTION 4 Successions

No Information Filed

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. [Part 1A Instruction 5.a.](#) provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.

12



- B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?  
6
- (2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?  
0
- (3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?  
0
- (4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?  
0
- (5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?  
0
- (6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?  
0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

### Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

- C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?  
0
- (2) Approximately what percentage of your *clients* are non-United States persons?  
85%
- D. For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.  
The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (1)(d) or (3)(d) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of <i>Client</i>	(1) Number of <i>Client(s)</i>	(2) Fewer than 5 <i>Clients</i>	(3) Amount of Regulatory Assets under Management
(a) Individuals (other than <i>high net worth individuals</i> )	0	<input type="checkbox"/>	\$ 0
(b) <i>High net worth individuals</i>	0	<input type="checkbox"/>	\$ 0
(c) Banking or thrift institutions	0	<input type="checkbox"/>	\$ 0
(d) Investment companies	0		\$ 0
(e) Business development companies	0		\$ 0
(f) Pooled investment vehicles (other than investment companies and business development companies)	24		\$ 271,892,320
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)	0	<input type="checkbox"/>	\$ 0
(h) Charitable organizations	0	<input type="checkbox"/>	\$ 0
(i) State or municipal <i>government entities</i> (including government pension plans)	1	<input checked="" type="checkbox"/>	\$ 25,021,154
(j) Other investment advisers	0	<input type="checkbox"/>	\$ 0
(k) Insurance companies	0	<input type="checkbox"/>	\$ 0
(l) Sovereign wealth funds and foreign official institutions	0	<input type="checkbox"/>	\$ 0
(m) Corporations or other businesses not listed above	0	<input type="checkbox"/>	\$ 0

Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

- ☒ (1) A percentage of assets under your management  
☐ (2) Hourly charges  
☐ (3) Subscription fees (for a newsletter or periodical)  
☐ (4) Fixed fees (other than subscription fees)  
☐ (5) Commissions  
☒ (6) *Performance-based fees*  
☐ (7) Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios? ☒ ☐

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

	U.S. Dollar Amount	Total Number of Accounts
Discretionary:	(a) \$ 296,913,474	(d) 25
Non-Discretionary:	(b) \$ 0	(e) 0
Total:	(c) \$ 296,913,474	(f) 25

*Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.*

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-United States persons?

\$ 252,376,453

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- ☐ (1) Financial planning services  
☐ (2) Portfolio management for individuals and/or small businesses  
☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)  
☒ (4) Portfolio management for pooled investment vehicles (other than investment companies)  
☒ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)  
☐ (6) Pension consulting services  
☐ (7) Selection of other advisers (including *private fund* managers)  
☐ (8) Publication of periodicals or newsletters  
☐ (9) Security ratings or pricing services  
☐ (10) Market timing services  
☐ (11) Educational seminars/workshops  
☐ (12) Other(specify):

*Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.*

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ☒ 0  
☐ 1 - 10  
☐ 11 - 25  
☐ 26 - 50  
☐ 51 - 100  
☐ 101 - 250  
☐ 251 - 500  
☐ More than 500

If more than 500, how many?  
(round to the nearest 500)

*In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship*

- I. (1) Do you participate in a *wrap fee program*? ☐ ☐
- (2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:
- (a) *sponsor* to a *wrap fee program*  
\$
- (b) portfolio manager for a *wrap fee program*?  
\$
- (c) *sponsor* to and portfolio manager for the same *wrap fee program*?  
\$

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a *wrap fee program*, list the names of the programs, their sponsors and related information in [Section 5.I.\(2\) of Schedule D](#).

If your involvement in a *wrap fee program* is limited to recommending *wrap fee programs* to your clients, or you advise a mutual fund that is offered through a *wrap fee program*, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

Yes No

- J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments? ☐ ☐
- (2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management? ☐ ☐

K. Separately Managed Account *Clients*

Yes No

- (1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f) (separately managed account *clients*)? ☐ ☐

If yes, complete [Section 5.K.\(1\) of Schedule D](#).

- (2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise? ☐ ☐

If yes, complete [Section 5.K.\(2\) of Schedule D](#).

- (3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise? ☐ ☐

If yes, complete [Section 5.K.\(2\) of Schedule D](#).

- (4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management? ☐ ☐

If yes, complete [Section 5.K.\(3\) of Schedule D](#) for each custodian.

L. Marketing Activities

Yes No

- (1) Do any of your *advertisements* include:

(a) Performance results? ☐ ☐

(b) A reference to specific investment advice provided by you (as that phrase is used in rule 206(4)-1(a)(5))? ☐ ☐

(c) *Testimonials* (other than those that satisfy rule 206(4)-1(b)(4)(ii))? ☐ ☐

(d) *Endorsements* (other than those that satisfy rule 206(4)-1(b)(4)(ii))? ☐ ☐

(e) *Third-party ratings*? ☐ ☐

- (2) If you answer "yes" to L(1)(c), (d), or (e) above, do you pay or otherwise provide cash or non-cash compensation, directly or indirectly, in connection with the use of *testimonials*, *endorsements*, or *third-party ratings*? ☐ ☐

- (3) Do any of your *advertisements* include *hypothetical performance* ? ☐ ☐

- (4) Do any of your *advertisements* include *predecessor performance* ? ☐ ☐

SECTION 5.I.(2) Wrap Fee Programs

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least \$10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than \$10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)	Asset Type	Mid-year	End of year
	(i) Exchange-Traded Equity Securities	%	%
	(ii) Non Exchange-Traded Equity Securities	%	%
	(iii) U.S. Government/Agency Bonds	%	%
	(iv) U.S. State and Local Bonds	%	%
	(v) <i>Sovereign Bonds</i>	%	%
	(vi) Investment Grade Corporate Bonds	%	%
	(vii) Non-Investment Grade Corporate Bonds	%	%
	(viii) Derivatives	%	%
	(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
	(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
	(xi) Cash and Cash Equivalents	%	%
	(xii) Other	%	%

Generally describe any assets included in "Other"

(b)	Asset Type	End of year
	(i) Exchange-Traded Equity Securities	0 %
	(ii) Non Exchange-Traded Equity Securities	74 %
	(iii) U.S. Government/Agency Bonds	0 %
	(iv) U.S. State and Local Bonds	0 %
	(v) <i>Sovereign Bonds</i>	0 %
	(vi) Investment Grade Corporate Bonds	0 %
	(vii) Non-Investment Grade Corporate Bonds	0 %
	(viii) Derivatives	0 %
	(ix) Securities Issued by Registered Investment Companies or Business Development Companies	0 %
	(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	0 %
	(xi) Cash and Cash Equivalents	2 %
	(xii) Other	24 %

**SECTION 5.K.(2) Separately Managed Accounts - Use of Borrowings and Derivatives**

☐ No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)

If your regulatory assets under management attributable to separately managed accounts are at least \$10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least \$500 million but less than \$10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings	(3) Derivative Exposures					
			(a) Interest Rate Derivative	(b) Foreign Exchange Derivative	(c) Credit Derivative	(d) Equity Derivative	(e) Commodity Derivative	(f) Other Derivative
Less than 10%	\$	\$	%	%	%	%	%	%
10-149%	\$	\$	%	%	%	%	%	%
150% or more	\$	\$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than \$10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	(1) Regulatory Assets Under Management	(2) Borrowings
Less than 10%	\$	\$
10-149%	\$	\$
150% or more	\$	\$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

### SECTION 5.K.(3) Custodians for Separately Managed Accounts

Complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of your aggregate separately managed account regulatory assets under management.

- (a) Legal name of custodian:  
THE BANK OF NEW YORK MELLON
- (b) Primary business name of custodian:  
BNY MELLON
- (c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :
- |          |          |               |
|----------|----------|---------------|
| City:    | State:   | Country:      |
| NEW YORK | New York | United States |
- Yes No**
- (d) Is the custodian a *related person* of your firm? ☐ ☒
- (e) If the custodian is a broker-dealer, provide its SEC registration number (if any)  
-
- (f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)
- (g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?  
\$ 74,501,290

### Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☐ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete Section 6.A. of Schedule D.

B. (1) Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?

(2) If yes, is this other business your primary business?

**Yes No**

☐ ☒

☐ ☒

If "yes," describe this other business on [Section 6.B.\(3\) of Schedule D](#), and if you engage in this business under a different name, provide that name.

**SECTION 6.A. Names of Your Other Businesses**

No Information Filed

**SECTION 6.B.(2) Description of Primary Business**

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

**SECTION 6.B.(3) Description of Other Products and Services**

Describe other products or services you sell to your *client*. You may omit products and services that you listed in [Section 6.B.\(2\)](#) above.

If you engage in that business under a different name, provide that name:

**Item 7 Financial Industry Affiliations**

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

- A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common control with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☒ (2) other investment adviser (including financial planners)
- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☒ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

*Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under [Item 5.B.\(1\)](#). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under [Item 5.B.\(2\)](#).*

*Note that if you are filing an umbrella registration, you should not check [Item 7.A.\(2\)](#) with respect to your relying advisers, and you do not have to complete [Section 7.A.](#) in [Schedule D](#) for your relying advisers. You should complete a [Schedule R](#) for each relying adviser.*

*For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete [Section 7.A. of Schedule D](#).*

*You do not need to complete [Section 7.A. of Schedule D](#) for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.*

*You must complete [Section 7.A. of Schedule D](#) for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.*

**SECTION 7.A. Financial Industry Affiliations**



1. Legal Name of <i>Related Person</i> : HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.	
2. Primary Business Name of <i>Related Person</i> : HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.	
3. <i>Related Person's</i> SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-) - or Other	
4. <i>Related Person's</i> (a) CRD Number (if any):  (b) CIK Number(s) (if any):	No Information Filed
5. <i>Related Person</i> is: (check all that apply)	
(a) <input type="checkbox"/> broker-dealer, municipal securities dealer, or government securities broker or dealer	
(b) <input type="checkbox"/> other investment adviser (including financial planners)	
(c) <input type="checkbox"/> registered municipal advisor	
(d) <input type="checkbox"/> registered security-based swap dealer	
(e) <input type="checkbox"/> major security-based swap participant	
(f) <input type="checkbox"/> commodity pool operator or commodity trading advisor (whether registered or exempt from registration)	
(g) <input type="checkbox"/> futures commission merchant	
(h) <input type="checkbox"/> banking or thrift institution	
(i) <input type="checkbox"/> trust company	
(j) <input type="checkbox"/> accountant or accounting firm	
(k) <input type="checkbox"/> lawyer or law firm	
(l) <input type="checkbox"/> insurance company or agency	
(m) <input type="checkbox"/> pension consultant	
(n) <input type="checkbox"/> real estate broker or dealer	
(o) <input type="checkbox"/> sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles	
(p) <input checked="" type="checkbox"/> sponsor, general partner, managing member (or equivalent) of pooled investment vehicles	
<b>Yes No</b>	
6. Do you <i>control</i> or are you <i>controlled</i> by the <i>related person</i> ?	<input type="radio"/> <input checked="" type="radio"/>
7. Are you and the <i>related person</i> under common <i>control</i> ?	<input checked="" type="radio"/> <input type="radio"/>
8. (a) Does the <i>related person</i> act as a qualified custodian for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ?	<input type="radio"/> <input checked="" type="radio"/>
(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the <i>related person</i> and thus are not required to obtain a surprise examination for your <i>clients'</i> funds or securities that are maintained at the <i>related person</i> ?	<input type="radio"/> <input type="radio"/>
(c) If you have answered "yes" to question 8.(a) above, provide the location of the <i>related person's</i> office responsible for <i>custody</i> of your <i>clients'</i> assets:	
Number and Street 1:	Number and Street 2:
City:	Country:
State:	ZIP+4/Postal Code:
If this address is a private residence, check this box: <input type="checkbox"/>	
<b>Yes No</b>	
9. (a) If the <i>related person</i> is an investment adviser, is it exempt from registration?	<input type="radio"/> <input type="radio"/>
(b) If the answer is yes, under what exemption?	
10. (a) Is the <i>related person</i> registered with a <i>foreign financial regulatory authority</i> ?	<input type="radio"/> <input checked="" type="radio"/>
(b) If the answer is yes, list the name and country, in English of each <i>foreign financial regulatory authority</i> with which the <i>related person</i> is registered.	
No Information Filed	
11. Do you and the <i>related person</i> share any <i>supervised persons</i> ?	<input checked="" type="radio"/> <input type="radio"/>
12. Do you and the <i>related person</i> share the same physical location?	<input checked="" type="radio"/> <input type="radio"/>

1. Legal Name of *Related Person*:  
HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

2. Primary Business Name of *Related Person*:



3. *Related Person's SEC File Number* (if any) (e.g., 801-, 802-, 803-, 804-, 805-, 806-, 807-, 808-, 809-, 810-, 811-, 812-, 813-, 814-, 815-, 816-, 817-, 818-, 819-, 820-, 821-, 822-, 823-, 824-, 825-, 826-, 827-, 828-, 829-, 830-, 831-, 832-, 833-, 834-, 835-, 836-, 837-, 838-, 839-, 840-, 841-, 842-, 843-, 844-, 845-, 846-, 847-, 848-, 849-, 850-, 851-, 852-, 853-, 854-, 855-, 856-, 857-, 858-, 859-, 860-, 861-, 862-, 863-, 864-, 865-, 866-, 867-, 868-, 869-, 870-, 871-, 872-, 873-, 874-, 875-, 876-, 877-, 878-, 879-, 880-, 881-, 882-, 883-, 884-, 885-, 886-, 887-, 888-, 889-, 890-, 891-, 892-, 893-, 894-, 895-, 896-, 897-, 898-, 899-, 900-, 901-, 902-, 903-, 904-, 905-, 906-, 907-, 908-, 909-, 910-, 911-, 912-, 913-, 914-, 915-, 916-, 917-, 918-, 919-, 920-, 921-, 922-, 923-, 924-, 925-, 926-, 927-, 928-, 929-, 930-, 931-, 932-, 933-, 934-, 935-, 936-, 937-, 938-, 939-, 940-, 941-, 942-, 943-, 944-, 945-, 946-, 947-, 948-, 949-, 950-, 951-, 952-, 953-, 954-, 955-, 956-, 957-, 958-, 959-, 960-, 961-, 962-, 963-, 964-, 965-, 966-, 967-, 968-, 969-, 970-, 971-, 972-, 973-, 974-, 975-, 976-, 977-, 978-, 979-, 980-, 981-, 982-, 983-, 984-, 985-, 986-, 987-, 988-, 989-, 990-, 991-, 992-, 993-, 994-, 995-, 996-, 997-, 998-, 999-, 1000-)

-  
or  
Other

4. *Related Person's*

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person* is: (check all that apply)

- (a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
- (b) ☐ other investment adviser (including financial planners)
- (c) ☐ registered municipal advisor
- (d) ☐ registered security-based swap dealer
- (e) ☐ major security-based swap participant
- (f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer
- (o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes No

6. Do you *control* or are you *controlled* by the *related person*?☐ ☒7. Are you and the *related person* under common *control*?☒ ☐8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?☐ ☒(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?☐ ☐(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?☐ ☐

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?☒ ☐(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.**Name of Country/English Name of Foreign Financial Regulatory Authority**

South Korea - Financial Supervisory Commission / Financial Supervisory Service

11. Do you and the *related person* share any *supervised persons*?☒ ☐12. Do you and the *related person* share the same physical location?☐ ☒1. Legal Name of *Related Person*:

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

2. Primary Business Name of *Related Person*:

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

3. *Related Person's* SEC File Number (if any) (e.g., 801-, 8-, 866-, 802-)

-  
or

4. *Related Person's*

(a) CRD Number (if any):

(b) CIK Number(s) (if any):

No Information Filed

5. *Related Person is:* (check all that apply)

- (a) ☐ broker-dealer, municipal securities dealer, or government securities broker or dealer
- (b) ☐ other investment adviser (including financial planners)
- (c) ☐ registered municipal advisor
- (d) ☐ registered security-based swap dealer
- (e) ☐ major security-based swap participant
- (f) ☐ commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- (g) ☐ futures commission merchant
- (h) ☐ banking or thrift institution
- (i) ☐ trust company
- (j) ☐ accountant or accounting firm
- (k) ☐ lawyer or law firm
- (l) ☐ insurance company or agency
- (m) ☐ pension consultant
- (n) ☐ real estate broker or dealer
- (o) ☐ sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- (p) ☒ sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Yes No

6. Do you *control* or are you *controlled* by the *related person*?☐ ☒7. Are you and the *related person* under common *control*?☒ ☐8. (a) Does the *related person* act as a qualified custodian for your *clients* in connection with advisory services you provide to *clients*?☐ ☒

(b) If you are registering or registered with the SEC and you have answered "yes," to question 8.(a) above, have you overcome the presumption that you are not operationally independent (pursuant to rule 206(4)-2(d)(5)) from the *related person* and thus are not required to obtain a surprise examination for your *clients'* funds or securities that are maintained at the *related person*?

☐ ☐

(c) If you have answered "yes" to question 8.(a) above, provide the location of the *related person's* office responsible for *custody* of your *clients'* assets:

Number and Street 1:

Number and Street 2:

City:

State:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

Yes No

9. (a) If the *related person* is an investment adviser, is it exempt from registration?☐ ☐

(b) If the answer is yes, under what exemption?

10. (a) Is the *related person* registered with a *foreign financial regulatory authority* ?☐ ☒

(b) If the answer is yes, list the name and country, in English of each *foreign financial regulatory authority* with which the *related person* is registered.

No Information Filed

11. Do you and the *related person* share any *supervised persons*?☒ ☐12. Do you and the *related person* share the same physical location?☒ ☐

## Item 7 Private Fund Reporting

Yes No

B. Are you an adviser to any *private fund*?☒ ☐

If "yes," then for each private fund that you advise, you must complete a [Section 7.B.\(1\) of Schedule D](#), except in certain circumstances described in the next sentence and in Instruction 6 of the [Instructions to Part 1A](#). If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete [Section 7.B.\(2\) of Schedule D](#).

In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

## A. PRIVATE FUND

**Information About the Private Fund**

1. (a) Name of the
- private fund*
- :

HIGHLAND MULTI STRATEGY CREDIT FUND, L.P.

- (b)
- Private fund*
- identification number:

(include the "805-" prefix also)

805-9872591840

2. Under the laws of what state or country is the
- private fund*
- organized:

State:

Delaware

Country:

United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or
- persons*
- serving in a similar capacity):

**Name of General Partner, Manager, Trustee, or Director**

HIGHLAND MULTI STRATEGY CREDIT FUND GP, L.P.

- (b) If filing an
- umbrella registration*
- , identify the
- filing adviser*
- and/or
- relying adviser(s)*
- that sponsor(s) or manage(s) this
- private fund*
- .

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT, L.P.

4. The
- private fund*
- (check all that apply; you must check at least one):

☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each
- foreign financial regulatory authority*
- with which the
- private fund*
- is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☒ ☐

- (b) If yes, what is the name and
- private fund*
- identification number (if any) of the feeder funds investing in this
- private fund*
- ?

**Name of private fund**

HIGHLAND MULTI STRATEGY CREDIT FUND, LTD

**Private fund identification number**

805-1960274517

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and
- private fund*
- identification number (if any) of the master fund in which this
- private fund*
- invests?

Name of *private fund*:*Private fund* identification number:

(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

**Additional Feeder Fund Information : 1 Record(s) Filed.**

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

- (a) Name of the
- private fund*
- :

HIGHLAND MULTI STRATEGY CREDIT FUND, LTD

- (c) Under the laws of what state or country is the *private fund* organized:

State: Country:  
Cayman Islands

- (d) (1) Name(s) of General Partner, Manager, Trustee or Directors (or *persons* serving in a similar capacity):

**Name of General Partner, Manager, Trustee or Director**

JAMES P. SEERY, JR.

- (d) (2) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*:

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT, L.P.

- (e) The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940  
☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

- (f) List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

**Name of Country/English Name of Foreign Financial Regulatory Authority**

Cayman Islands - Cayman Islands Stock Exchange Authority

Other - CAYMAN ISLANDS MONETARY AUTHORITY

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

8. (a) Is this *private fund* a "fund of funds"?

Yes No

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

- (b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☐

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

Yes No

☐ ☒

10. What type of fund is the *private fund*?

☒ hedge fund ☐ liquidity fund ☐ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 48,917,448

**Ownership**

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 1,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

3

14. What is the approximate percentage of the *private fund* beneficially owned by you and your related persons:  
63%
15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:  
0%

Yes No

- (b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:  
37%

#### Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

- (b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

- (b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

*NOTE: For purposes of this question, do not consider feeder funds of the private fund.*

20. Approximately what percentage of your *clients* has invested in the *private fund*?  
0%

#### Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

#### B. SERVICE PROVIDERS

##### Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

- (2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

##### Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

- (b) Name of the auditing firm:  
COHEN AND COMPANY

- (c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):  
City: CLEVELAND State: Ohio Country: United States

Yes No

- (d) Is the auditing firm an *independent public accountant*? ☒ ☐

If "yes," Public Company Accounting Oversight Board Assigned Number:

925

- (f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

Yes No

- (g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

- (h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

#### Prime Broker

Yes No

24. (a) Does the *private fund* use one or more prime brokers?

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

#### Custodian

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

#### Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

- (b) Legal name of custodian:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

- (c) Primary business name of custodian:

BANK OF NEW YORK

- (d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

HOUSTON

State:

Texas

Country:

United States

Yes No

- (e) Is the custodian a *related person* of your firm?

- (f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

- (g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

WFLPEPC7FZXENRZV188

#### Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

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**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

(c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

Yes No

(d) Is the administrator a *related person* of your firm?

☐ ☒

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

**Marketers**

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

**A. PRIVATE FUND**

**Information About the *Private Fund***

1. (a) Name of the *private fund*:

HIGHLAND RESTORATION CAPITAL PARTNERS MASTER, LP

(b) *Private fund* identification number:

(include the "805-" prefix also)

805-4547867916

2. Under the laws of what state or country is the *private fund* organized:

State:

Delaware

Country:

United States

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

**Name of General Partner, Manager, Trustee, or Director**

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒

- (b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

- (b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☒

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 28,526,244

#### Ownership

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 10,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the



6

14. What is the approximate percentage of the
- private fund*
- beneficially owned by you and your
- related persons*
- :

44%

15. (a) What is the approximate percentage of the
- private fund*
- beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

- (b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to
- qualified clients*
- ?
- ☐
- ☐

16. What is the approximate percentage of the
- private fund*
- beneficially owned by non-
- United States persons*
- :

100%

**Your Advisory Services**

Yes No

17. (a) Are you a subadviser to this
- private fund*
- ?
- ☐
- ☒

- (b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the
- private fund*
- . If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the
- private fund*
- ?
- ☐
- ☒

- (b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the
- private fund*
- . If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your
- clients*
- solicited to invest in the
- private fund*
- ?
- ☐
- ☒

*NOTE: For purposes of this question, do not consider feeder funds of the private fund.*

20. Approximately what percentage of your
- clients*
- has invested in the
- private fund*
- ?

0%

**Private Offering**

Yes No

21. Has the
- private fund*
- ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933?
- ☒
- ☐

22. If yes, provide the
- private fund's*
- Form D file number (if any):

**Form D file number**

021-120530

**B. SERVICE PROVIDERS****Auditors**

Yes No

23. (a) (1) Are the
- private fund's*
- financial statements subject to an annual audit?
- ☒
- ☐

- (2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP?
- ☒
- ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.**Additional Auditor Information : 1 Record(s) Filed.**If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

- (b) Name of the auditing firm:

COHEN AND COMPANY

	Yes	No
(d) Is the auditing firm an <i>independent public accountant</i> ?	<input checked="" type="radio"/>	<input type="radio"/>
(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?	<input checked="" type="radio"/>	<input type="radio"/>
If yes, Public Company Accounting Oversight Board-Assigned Number: 925		
(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?	<input checked="" type="radio"/>	<input type="radio"/>

	Yes	No
(g) Are the <i>private fund's</i> audited financial statements for the most recently completed fiscal year distributed to the <i>private fund's</i> investors?	<input checked="" type="radio"/>	<input type="radio"/>
(h) Do all of the reports prepared by the auditing firm for the <i>private fund</i> since your last <i>annual updating amendment</i> contain unqualified opinions?	<input checked="" type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Report Not Yet Received	
If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.		

#### Prime Broker

	Yes	No
24. (a) Does the <i>private fund</i> use one or more prime brokers?	<input type="radio"/>	<input checked="" type="radio"/>
If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the <i>private fund</i> uses. If the <i>private fund</i> uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.		
No Information Filed		

#### Custodian

	Yes	No
25. (a) Does the <i>private fund</i> use any custodians (including the prime brokers listed above) to hold some or all of its assets?	<input checked="" type="radio"/>	<input type="radio"/>
If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the <i>private fund</i> uses. If the <i>private fund</i> uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.		
<b>Additional Custodian Information : 1 Record(s) Filed.</b>		
If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the <i>private fund</i> uses. If the <i>private fund</i> uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.		
(b) Legal name of custodian: THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION		
(c) Primary business name of custodian: BANK OF NEW YORK		
(d) The location of the custodian's office responsible for <i>custody</i> of the <i>private fund's</i> assets (city, state and country): City: HOUSTON State: Texas Country: United States		
(e) Is the custodian a <i>related person</i> of your firm?	<input type="radio"/>	<input checked="" type="radio"/>
(f) If the custodian is a broker-dealer, provide its SEC registration number (if any): - CRD Number (if any):		
(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its legal entity identifier (if any)		

Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

- (b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

- (c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

Yes No

- (d) Is the administrator a *related person* of your firm?

☐ ☒

- (e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

- (f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

## A. PRIVATE FUND

**Information About the *Private Fund***

1. (a) Name of the *private fund*:

HIGHLAND RESTORATION CAPITAL PARTNERS, L.P.

- (b) *Private fund* identification number:

(include the "805-" prefix also)

805-2103133324

2. Under the laws of what state or country is the *private fund* organized:

State:

Delaware

Country:

United States

008180

Name of General Partner, Manager, Trustee, or Director

HIGHLAND RESTORATION CAPITAL PARTNERS GP, LLC

(b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

Filing Adviser/Relying Adviser Name

HIGHLAND CAPITAL MANAGEMENT, L.P.

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

No Information Filed

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒(b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

(c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒(d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

(b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?☐ ☐

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ Other *private fund*:

NOTE: For definitions of these fund types, please see [Instruction 6 of the Instructions to Part 1A](#).

11. Current gross asset value of the *private fund*:

\$ 23,282,452

008181

12. Minimum investment commitment required of investors in the *private fund*:

\$ 10,000,000

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

5

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

50%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

- (b) If the *private fund* qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☐

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

0%

#### Your Advisory Services

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

- (b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

- (b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

0%

#### Private Offering

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☒ ☐

22. If yes, provide the *private fund's* Form D file number (if any):

Form D file number

021-120513

#### B. SERVICE PROVIDERS

##### Auditors

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

- (2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☒ ☐

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

Additional Auditor Information : 1 Record(s) Filed.

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one

008182

COHEN AND COMPANY

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:

CLEVELAND

State:

Ohio

Country:

United States

Yes No

(d) Is the auditing firm an *independent public accountant*? ☒ ☐(e) Is the auditing firm registered with the Public Company Accounting Oversight Board? ☒ ☐

If yes, Public Company Accounting Oversight Board-Assigned Number:

925

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules? ☒ ☐

Yes No

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors? ☒ ☐(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

**Prime Broker**

Yes No

24. (a) Does the *private fund* use one or more prime brokers? ☐ ☒If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

**Custodian**

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets? ☒ ☐If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.**Additional Custodian Information : 1 Record(s) Filed.**If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION

(c) Primary business name of custodian:

BANK OF NEW YORK

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

HOUSTON

State:

Texas

Country:

United States

Yes No

(e) Is the custodian a *related person* of your firm? ☐ ☒

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

008183

- (g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

WFLPEPC7FZXENRZV188

**Administrator****Yes No**

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

**Additional Administrator Information : 1 Record(s) Filed.**

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

- (b) Name of administrator:

SEI INVESTMENT MANAGER SERVICES

- (c) Location of administrator (city, state and country):

City:

OAKS

State:

Pennsylvania

Country:

United States

**Yes No**

- (d) Is the administrator a *related person* of your firm?

☐ ☒

- (e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

- (f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

0%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

**Marketers****Yes No**

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

**A. PRIVATE FUND****Information About the *Private Fund***

1. (a) Name of the *private fund*:

STONEBRIDGE-HIGHLAND HEALTHCARE PRIVATE EQUITY FUND

- (b) *Private fund* identification number:

(include the "805-" prefix also)

008184

2. Under the laws of what state or country is the *private fund* organized:

State:

Country:

Korea, South

3. (a) Name(s) of General Partner, Manager, Trustee, or Directors (or *persons* serving in a similar capacity):

No Information Filed

- (b) If filing an *umbrella registration*, identify the *filing adviser* and/or *relying adviser(s)* that sponsor(s) or manage(s) this *private fund*.

**Filing Adviser/Relying Adviser Name**

HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

4. The *private fund* (check all that apply; you must check at least one):

- ☐ (1) qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940
- ☒ (2) qualifies for the exclusion from the definition of investment company under section 3(c)(7) of the Investment Company Act of 1940

5. List the name and country, in English, of each *foreign financial regulatory authority* with which the *private fund* is registered.

**Name of Country/English Name of Foreign Financial Regulatory Authority**

South Korea - Financial Supervisory Commission / Financial Supervisory Service

Yes No

6. (a) Is this a "master fund" in a master-feeder arrangement?

☐ ☒

- (b) If yes, what is the name and *private fund* identification number (if any) of the feeder funds investing in this *private fund*?

No Information Filed

Yes No

- (c) Is this a "feeder fund" in a master-feeder arrangement?

☐ ☒

- (d) If yes, what is the name and *private fund* identification number (if any) of the master fund in which this *private fund* invests?

Name of *private fund*:

*Private fund* identification number:  
(include the "805-" prefix also)

NOTE: You must complete question 6 for each master-feeder arrangement regardless of whether you are filing a single Schedule D, Section 7.B.(1) for the master-feeder arrangement or reporting on the funds separately.

7. If you are filing a single Schedule D, Section 7.B.(1) for a master-feeder arrangement according to the instructions to this Section 7.B.(1), for each of the feeder funds answer the following questions:

No Information Filed

NOTE: For purposes of questions 6 and 7, in a master-feeder arrangement, one or more funds ("feeder funds") invest all or substantially all of their assets in a single fund ("master fund"). A fund would also be a "feeder fund" investing in a "master fund" for purposes of this question if it issued multiple classes (or series) of shares or interests, and each class (or series) invests substantially all of its assets in a single master fund.

Yes No

8. (a) Is this *private fund* a "fund of funds"?

☐ ☒

NOTE: For purposes of this question only, answer "yes" if the fund invests 10 percent or more of its total assets in other pooled investment vehicles, regardless of whether they are also *private funds* or registered investment companies.

- (b) If yes, does the *private fund* invest in funds managed by you or by a *related person*?

☐ ☒

Yes No

9. During your last fiscal year, did the *private fund* invest in securities issued by investment companies registered under the Investment Company Act of 1940 (other than "money market funds," to the extent provided in Instruction 6.e.)?

☐ ☒

10. What type of fund is the *private fund*?

☐ hedge fund ☐ liquidity fund ☒ private equity fund ☐ real estate fund ☐ securitized asset fund ☐ venture capital fund ☐ other *private fund*:

008185



11. Current gross asset value of the *private fund*:

\$ 95,022,163

#### **Ownership**

12. Minimum investment commitment required of an investor in the *private fund*:

\$ 0

NOTE: Report the amount routinely required of investors who are not your *related persons* (even if different from the amount set forth in the organizational documents of the fund).

13. Approximate number of the *private fund's* beneficial owners:

7

14. What is the approximate percentage of the *private fund* beneficially owned by you and your *related persons*:

6%

15. (a) What is the approximate percentage of the *private fund* beneficially owned (in the aggregate) by funds of funds:

0%

Yes No

(b) If the private fund qualifies for the exclusion from the definition of investment company under section 3(c)(1) of the Investment Company Act of 1940, are sales of the fund limited to *qualified clients*? ☐ ☒

16. What is the approximate percentage of the *private fund* beneficially owned by non-*United States persons*:

100%

#### **Your Advisory Services**

Yes No

17. (a) Are you a subadviser to this *private fund*? ☐ ☒

(b) If the answer to question 17.(a) is "yes," provide the name and SEC file number, if any, of the adviser of the *private fund*. If the answer to question 17.(a) is "no," leave this question blank.

No Information Filed

Yes No

18. (a) Do any investment advisers (other than the investment advisers listed in Section 7.B.(1).A.3.(b)) advise the *private fund*? ☐ ☒

(b) If the answer to question 18.(a) is "yes," provide the name and SEC file number, if any, of the other advisers to the *private fund*. If the answer to question 18.(a) is "no," leave this question blank.

No Information Filed

Yes No

19. Are your *clients* solicited to invest in the *private fund*? ☐ ☒

NOTE: For purposes of this question, do not consider feeder funds of the *private fund*.

20. Approximately what percentage of your *clients* has invested in the *private fund*?

0%

#### **Private Offering**

Yes No

21. Has the *private fund* ever relied on an exemption from registration of its securities under Regulation D of the Securities Act of 1933? ☐ ☒

22. If yes, provide the *private fund's* Form D file number (if any):

No Information Filed

#### **B. SERVICE PROVIDERS**

##### **Auditors**

Yes No

23. (a) (1) Are the *private fund's* financial statements subject to an annual audit? ☒ ☐

(2) If the answer to question 23.(a)(1) is "yes," are the financial statements prepared in accordance with U.S. GAAP? ☐ ☒

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm,

008186

If the answer to question 23.(a)(1) is "yes," respond to questions (b) through (h) below. If the *private fund* uses more than one auditing firm, you must complete questions (b) through (f) separately for each auditing firm.

(b) Name of the auditing firm:

DELOITTE ANJIN, LCC

(c) The location of the auditing firm's office responsible for the *private fund's* audit (city, state and country):

City:

State:

Country:

SEOUL

Korea, South

Yes No

(d) Is the auditing firm an *independent public accountant*?

☒ ☐

(e) Is the auditing firm registered with the Public Company Accounting Oversight Board?

☐ ☒

If yes, Public Company Accounting Oversight Board-Assigned Number:

(f) If "yes" to (e) above, is the auditing firm subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?

☐ ☐

Yes No

(g) Are the *private fund's* audited financial statements for the most recently completed fiscal year distributed to the *private fund's* investors?

☒ ☐

(h) Do all of the reports prepared by the auditing firm for the *private fund* since your last *annual updating amendment* contain unqualified opinions?

☒ Yes ☐ No ☐ Report Not Yet Received

If you check "Report Not Yet Received," you must promptly file an amendment to your Form ADV to update your response when the report is available.

#### Prime Broker

Yes No

24. (a) Does the *private fund* use one or more prime brokers?

☐ ☒

If the answer to question 24.(a) is "yes," respond to questions (b) through (e) below for each prime broker the *private fund* uses. If the *private fund* uses more than one prime broker, you must complete questions (b) through (e) separately for each prime broker.

No Information Filed

#### Custodian

Yes No

25. (a) Does the *private fund* use any custodians (including the prime brokers listed above) to hold some or all of its assets?

☒ ☐

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

#### Additional Custodian Information : 1 Record(s) Filed.

If the answer to question 25.(a) is "yes," respond to questions (b) through (g) below for each custodian the *private fund* uses. If the *private fund* uses more than one custodian, you must complete questions (b) through (g) separately for each custodian.

(b) Legal name of custodian:

KEB HANA BANK

(c) Primary business name of custodian:

KEB HANA BANK

(d) The location of the custodian's office responsible for *custody* of the *private fund's* assets (city, state and country):

City:

State:

Country:

SEOUL

Korea, South

008187

Yes No

(f) If the custodian is a broker-dealer, provide its SEC registration number (if any):

-

CRD Number (if any):

(g) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

#### Administrator

Yes No

26. (a) Does the *private fund* use an administrator other than your firm?

☒ ☐

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

#### Additional Administrator Information : 1 Record(s) Filed.

If the answer to question 26.(a) is "yes," respond to questions (b) through (f) below. If the *private fund* uses more than one administrator, you must complete questions (b) through (f) separately for each administrator.

(b) Name of administrator:

SHINHAN AITAS

(c) Location of administrator (city, state and country):

City:

SEOUL

State:

Country:

Korea, South

Yes No

(d) Is the administrator a *related person* of your firm?

☐ ☒

(e) Does the administrator prepare and send investor account statements to the *private fund's* investors?

☒ Yes (provided to all investors) ☐ Some (provided to some but not all investors) ☐ No (provided to no investors)

(f) If the answer to question 26.(e) is "no" or "some," who sends the investor account statements to the (rest of the) *private fund's* investors? If investor account statements are not sent to the (rest of the) *private fund's* investors, respond "not applicable."

27. During your last fiscal year, what percentage of the *private fund's* assets (by value) was valued by a *person*, such as an administrator, that is not your *related person*?

30%

Include only those assets where (i) such *person* carried out the valuation procedure established for that asset, if any, including obtaining any relevant quotes, and (ii) the valuation used for purposes of investor subscriptions, redemptions or distributions, and fee calculations (including allocations) was the valuation determined by such *person*.

#### Marketers

Yes No

28. (a) Does the *private fund* use the services of someone other than you or your *employees* for marketing purposes?

☐ ☒

You must answer "yes" whether the *person* acts as a placement agent, consultant, finder, introducer, municipal advisor or other solicitor, or similar *person*. If the answer to question 28.(a) is "yes," respond to questions (b) through (g) below for each such marketer the *private fund* uses. If the *private fund* uses more than one marketer you must complete questions (b) through (g) separately for each marketer.

No Information Filed

**Item 8 Participation or Interest in *Client* Transactions**

In this Item, we request information about your participation and interest in your *clients'* transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

**Proprietary Interest in *Client* Transactions**

- |  | Yes                              | No                    |
|--|----------------------------------|-----------------------|
| A. Do you or any <i>related person</i> :   |                                  |                       |
| (1) buy securities for yourself from advisory <i>clients</i> , or sell securities you own to advisory <i>clients</i> (principal transactions)?   | <input checked="" type="radio"/> | <input type="radio"/> |
| (2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/> |
| (3) recommend securities (or other investment products) to advisory <i>clients</i> in which you or any <i>related person</i> has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))? | <input checked="" type="radio"/> | <input type="radio"/> |

**Sales Interest in *Client* Transactions**

- |  | Yes                              | No                               |
|--|----------------------------------|----------------------------------|
| B. Do you or any <i>related person</i> :   |                                  |                                  |
| (1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory <i>client</i> securities are sold to or bought from the brokerage customer (agency cross transactions)?        | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) recommend to advisory <i>clients</i> , or act as a purchaser representative for advisory <i>clients</i> with respect to, the purchase of securities for which you or any <i>related person</i> serves as underwriter or general or managing partner?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) recommend purchase or sale of securities to advisory <i>clients</i> for which you or any <i>related person</i> has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)? | <input checked="" type="radio"/> | <input type="radio"/>            |

**Investment or Brokerage Discretion**

- |   | Yes                              | No                               |
|---|----------------------------------|----------------------------------|
| C. Do you or any <i>related person</i> have <i>discretionary authority</i> to determine the:  |                                  |                                  |
| (1) securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (2) amount of securities to be bought or sold for a <i>client's</i> account?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| (3) broker or dealer to be used for a purchase or sale of securities for a <i>client's</i> account?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| (4) commission rates to be paid to a broker or dealer for a <i>client's</i> securities transactions?  | <input checked="" type="radio"/> | <input type="radio"/>            |
| D. If you answer "yes" to C.(3) above, are any of the brokers or dealers <i>related persons</i> ?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| E. Do you or any <i>related person</i> recommend brokers or dealers to <i>clients</i> ?   | <input checked="" type="radio"/> | <input type="radio"/>            |
| F. If you answer "yes" to E. above, are any of the brokers or dealers <i>related persons</i> ?  | <input type="radio"/>            | <input checked="" type="radio"/> |
| G. (1) Do you or any <i>related person</i> receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with <i>client</i> securities transactions?                               | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any <i>related persons</i> receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| H. (1) Do you or any <i>related person</i> , directly or indirectly, compensate any <i>person</i> that is not an <i>employee</i> for <i>client</i> referrals?   | <input type="radio"/>            | <input checked="" type="radio"/> |
| (2) Do you or any <i>related person</i> , directly or indirectly, provide any <i>employee</i> compensation that is specifically related to obtaining <i>clients</i> for the firm (cash or non-cash compensation in addition to the <i>employee's</i> regular salary)? | <input type="radio"/>            | <input checked="" type="radio"/> |
| I. Do you or any <i>related person</i> , including any <i>employee</i> , directly or indirectly, receive compensation from any <i>person</i> (other than you or any <i>related person</i> ) for <i>client</i> referrals?  | <input type="radio"/>            | <input checked="" type="radio"/> |

In your response to Item 8.I., do not include the regular salary you pay to an employee.

In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.

**Item 9 Custody**

In this Item, we ask you whether you or a *related person* has *custody of client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

- |   | Yes                              | No                    |
|---|----------------------------------|-----------------------|
| A. (1) Do you have <i>custody</i> of any advisory <i>clients'</i> : |                                  |                       |
| (a) cash or bank accounts?  | <input checked="" type="radio"/> | <input type="radio"/> |
| (b) securities?   | <input checked="" type="radio"/> | <input type="radio"/> |

008189

If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees

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(2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$ 100,726,146	(b) 3

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

- | B. (1) In connection with advisory services you provide to <i>clients</i> , do any of your <i>related persons</i> have <i>custody</i> of any of your advisory <i>clients</i> ': | Yes                   | No                               |
|---|-----------------------|----------------------------------|
| (a) cash or bank accounts?  | <input type="radio"/> | <input checked="" type="radio"/> |
| (b) securities?   | <input type="radio"/> | <input checked="" type="radio"/> |

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

(2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of <i>Clients</i>
(a) \$	(b)

- C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:
- |   |                                     |
|---|-------------------------------------|
| (1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage.   | <input type="checkbox"/>            |
| (2) An <i>independent public accountant</i> audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools.                            | <input checked="" type="checkbox"/> |
| (3) An <i>independent public accountant</i> conducts an annual surprise examination of <i>client</i> funds and securities.  | <input type="checkbox"/>            |
| (4) An <i>independent public accountant</i> prepares an internal control report with respect to custodial services when you or your <i>related persons</i> are qualified custodians for <i>client</i> funds and securities. | <input type="checkbox"/>            |

If you checked Item 9.C.(2), C.(3) or C.(4), list in [Section 9.C. of Schedule D](#) the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in [Section 9.C. of Schedule D](#) if you already provided this information with respect to the private funds you advise in [Section 7.B.\(1\) of Schedule D](#)).

- | D. Do you or your <i>related person(s)</i> act as qualified custodians for your <i>clients</i> in connection with advisory services you provide to <i>clients</i> ? | Yes                   | No                               |
|---|-----------------------|----------------------------------|
| (1) you act as a qualified custodian  | <input type="radio"/> | <input checked="" type="radio"/> |
| (2) your <i>related person(s)</i> act as qualified custodian(s)   | <input type="radio"/> | <input checked="" type="radio"/> |

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in [Section 7.A. of Schedule D](#), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

- E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
- F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons*, act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*?
- 1

#### SECTION 9.C. Independent Public Accountant

You must complete the following information for each *independent public accountant* engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each *independent public accountant*.

- (1) Name of the *independent public accountant*:  
COHEN AND COMPANY
- (2) The location of the *independent public accountant's* office responsible for the services provided:
- |                      |                      |
|----------------------|----------------------|
| Number and Street 1: | Number and Street 2: |
|----------------------|----------------------|

008190

Yes No

(3) Is the *independent public accountant* registered with the Public Company Accounting Oversight Board?☒ ☐

If "yes," Public Company Accounting Oversight Board-Assigned Number:  
925

(4) If "yes" to (3) above, is the *independent public accountant* subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?☒ ☐(5) The *independent public accountant* is engaged to:

- A. ☒ audit a pooled investment vehicle  
B. ☐ perform a surprise examination of *clients'* assets  
C. ☐ prepare an internal control report

(6) Since your last *annual updating amendment*, did all of the reports prepared by the *independent public accountant* that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

- ☒ Yes  
☐ No  
☐ Report Not Yet Received

If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.

**Item 10 Control Persons**

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

Yes No

A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?☐ ☒

If yes, complete [Section 10.A. of Schedule D](#).

B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete [Section 10.B. of Schedule D](#).**SECTION 10.A. Control Persons**

No Information Filed

**SECTION 10.B. Control Person Public Reporting Companies**

No Information Filed

**Item 11 Disclosure Information**

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.E.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary

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	Yes	No
Do any of the events below involve you or any of your supervised persons?	<input type="radio"/>	<input checked="" type="radio"/>
For "yes" answers to the following questions, complete a Criminal Action DRP:		
A. In the past ten years, have you or any advisory affiliate:	Yes	No
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been charged with any felony?	<input type="radio"/>	<input checked="" type="radio"/>
If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.		
B. In the past ten years, have you or any advisory affiliate:		
(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?	<input type="radio"/>	<input checked="" type="radio"/>
(2) been charged with a misdemeanor listed in Item 11.B.(1)?	<input type="radio"/>	<input checked="" type="radio"/>
If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.		
For "yes" answers to the following questions, complete a Regulatory Action DRP:		
C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:	Yes	No
(1) found you or any advisory affiliate to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2) found you or any advisory affiliate to have been involved in a violation of SEC or CFTC regulations or statutes?	<input checked="" type="radio"/>	<input type="radio"/>
(3) found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) entered an order against you or any advisory affiliate in connection with investment-related activity?	<input checked="" type="radio"/>	<input type="radio"/>
(5) imposed a civil money penalty on you or any advisory affiliate, or ordered you or any advisory affiliate to cease and desist from any activity?	<input checked="" type="radio"/>	<input type="radio"/>
D. Has any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority:		
(1) ever found you or any advisory affiliate to have made a false statement or omission, or been dishonest, unfair, or unethical?	<input type="radio"/>	<input checked="" type="radio"/>
(2) ever found you or any advisory affiliate to have been involved in a violation of investment-related regulations or statutes?	<input type="radio"/>	<input checked="" type="radio"/>
(3) ever found you or any advisory affiliate to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) in the past ten years, entered an order against you or any advisory affiliate in connection with an investment-related activity?	<input type="radio"/>	<input checked="" type="radio"/>
(5) ever denied, suspended, or revoked your or any advisory affiliate's registration or license, or otherwise prevented you or any advisory affiliate, by order, from associating with an investment-related business or restricted your or any advisory affiliate's activity?	<input type="radio"/>	<input checked="" type="radio"/>
E. Has any self-regulatory organization or commodities exchange ever:		
(1) found you or any advisory affiliate to have made a false statement or omission?	<input type="radio"/>	<input checked="" type="radio"/>
(2) found you or any advisory affiliate to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC)?	<input type="radio"/>	<input checked="" type="radio"/>
(3) found you or any advisory affiliate to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted?	<input type="radio"/>	<input checked="" type="radio"/>
(4) disciplined you or any advisory affiliate by expelling or suspending you or the advisory affiliate from membership, barring or suspending you or the advisory affiliate from association with other members, or otherwise restricting your or the advisory affiliate's activities?	<input type="radio"/>	<input checked="" type="radio"/>
F. Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any advisory affiliate ever been revoked or suspended?	<input type="radio"/>	<input checked="" type="radio"/>
G. Are you or any advisory affiliate now the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?	<input type="radio"/>	<input checked="" type="radio"/>

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

	Yes	No
H. (1) Has any domestic or foreign court:		
(a) in the past ten years, enjoined you or any advisory affiliate in connection with any investment-related activity?	<input type="radio"/>	<input checked="" type="radio"/>
(b) ever found that you or any advisory affiliate were involved in a violation of investment-related statutes or regulations?	<input type="radio"/>	<input checked="" type="radio"/>
(c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against you or any advisory affiliate by a state or foreign financial regulatory authority?	<input type="radio"/>	<input checked="" type="radio"/>

**Item 12 Small Businesses**

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than \$25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- **Total Assets** refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- **Control** means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

**Yes No**

A. Did you have total assets of \$5 million or more on the last day of your most recent fiscal year?

☐ ☐

If "yes," you do not need to answer Items 12.B. and 12.C.

B. Do you:

- (1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year? ☐ ☐
- (2) *control* another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year? ☐ ☐

C. Are you:

- (1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of \$25 million or more on the last day of its most recent fiscal year? ☐ ☐
- (2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of \$5 million or more on the last day of its most recent fiscal year? ☐ ☐

**Schedule A****Direct Owners and Executive Officers**

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
- (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer (Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
- (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
- (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
- (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ☒ Yes ☐ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%  
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.

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FULL LEGAL NAME (Individuals:	DE/FE/I	Title or Status	Date	Title or Status	Ownership	Control	PR	CRD No. If None:	S.S. No. and
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Last Name, First Name, Middle Name)		Case 19-34054-sgj11 Doc 3818-4 Filed 06/05/23 Entered 06/05/23 22:10:41	Acquired MM/YYYY	Code	Person	Date of Birth, IRS Tax No. or Employer ID No.
SURGENT, THOMAS, JOSEPH		CHIEF FINANCIAL OFFICER AND GENERAL COUNSEL			N	5033586
Seery, James, Patrick		CHIEF EXECUTIVE OFFICER AND CHIEF RESTRUCTURING OFFICER	03/2020	NA	Y	N 4531254
Klos, David, Kelly		CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER	02/2021	NA	Y	N 6590515
HIGHLAND CLAIMANT TRUST		SOLE LIMITED PARTNER	08/2021	E	Y	N
HCMLP GP LLC		GENERAL PARTNER	08/2021	NA	Y	N

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.

2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:

(a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

(b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;

(c) in the case of an owner that is a trust, the trust and each trustee; and

(d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.

4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.

5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).

6. Ownership codes are: C - 25% but less than 50% E - 75% or more  
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)

7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
Seery, James, Patrick	I	HIGHLAND CLAIMANT TRUST	CLAIMANT TRUSTEE	08/2021	F	Y	N	4531254
HIGHLAND CLAIMANT TRUST	DE	HCMLP GP LLC	MANAGING MEMBER	08/2021	E	Y	N	

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

CERTAIN MASTER TRADING PORTFOLIOS HAVE FEEDER ENTITIES OF WHICH RELATED PARTIES OF THE MANAGER ARE THE GENERAL PARTNER OR MANAGER. IN ADDITION, CERTAIN TRADING PORTFOLIOS HAVE SUBSIDIARY PORTFOLIOS OF WHICH RELATED PARTIES OF THE MANAGER ARE THE GENERAL PARTNER OR MANAGER. THE ASSETS UNDER MANAGEMENT FOR SUCH MASTER TRADING PORTFOLIOS IS REFLECTED IN THE ASSETS IN ITS FEEDER FUNDS. SIMILARLY, THE ASSETS UNDER MANAGEMENT FOR SUCH SUBSIDIARY TRADING PORTFOLIOS IS REFLECTED IN THE ASSETS OF THE RELATED MASTER TRADING PORTFOLIO. ALL PORTFOLIO DATA AS OF 12/31/2022.

Schedule R

SECTION 1 Identifying Information

Responses to this Section tell us who you (the *relying adviser*) are, where you are doing business, and how we can contact you.

A. Your full legal name:  
HIGHLAND CAPITAL MANAGEMENT KOREA LIMITED

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- C. List any other business names and the jurisdictions in which you use them. Complete this question for each other business name.

No Information Filed

*You do not have to include the names or jurisdictions of the filing adviser or other relying adviser(s) in response to this Section 1.C.*

- D. If you currently have, or ever had, a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system (other than the filing adviser's CRD number), your CRD number:

**295035**

No Information Filed

*If you do not have a CRD number, skip this Section 1.D. Do not provide the CRD number of one of your officers, employees, or affiliates (including the filing adviser).*

- E. *Principal Office and Place of Business*

- (1) Address (do not use a P.O. Box):

☐ Same as the filing adviser.

Number and Street 1:

SEOUL FINANCE CENTER

City:

SEOUL

State:

Number and Street 2:

136 SEJONG-DAERO, JUNG-GU

Country:

Korea, South

ZIP+4/Postal Code:

100-768

If this address is a private residence, check this box: ☐

- (2) Days of week that you normally conduct business at your *principal office and place of business*:

☒ Monday - Friday ☐ Other:

Normal business hours at this location:

7AM-6PM

- (3) Telephone number at this location:

972-628-4100

- (4) Facsimile number at this location, if any:

972-628-4147

- F. Mailing address, if different from your *principal office and place of business* address:

☐ Same as the filing adviser.

Number and Street 1:

City:

State:

Number and Street 2:

Country:

ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

- G. Provide your *Legal Entity Identifier* if you have one:

*A legal entity identifier is a unique number that companies use to identify each other in the financial marketplace. You may not have a legal entity identifier.*

- H. If you have Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:

No Information Filed

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A. To be a *relying adviser*, you must be independently eligible to register (or remain registered) with the SEC. You must check **at least one** of the Sections 2.A.(1) through 2.A.(8), below. **Part 1A Instruction 2** provides information to help you determine whether you may affirmatively respond to each of these items.

You (the *relying adviser*):

☐ (1) are a **large advisory firm** that either:

(a) has regulatory assets under management of \$100 million (in U.S. dollars) or more; or

(b) has regulatory assets under management of \$90 million (in U.S. dollars) or more at the time of filing its most recent *annual updating amendment* and is registered with the SEC;

☐ (2) are a **mid-sized advisory firm** that has regulatory assets under management of \$25 million (in U.S. dollars) or more but less than \$100 million (in U.S. dollars) and you are either:

(a) not required to be registered as an adviser with the *state securities authority* of the state where you maintain your *principal office and place of business*; or

(b) not subject to examination by the *state securities authority* of the state where you maintain your *principal office and place of business*;

Click [HERE](#) for a list of states in which an investment adviser, if registered, would not be subject to examination by the state securities authority.

(3) Reserved

☐ (4) have your *principal office and place of business* **outside the United States**;

☒ (5) are a **related adviser** under rule 203A-2(b) that *controls, is controlled by, or is under common control* with, an investment adviser that is registered with the SEC, and your *principal office and place of business* is the same as the registered adviser;

☐ (6) are an **adviser** relying on rule 203A-2(c) because you **expect to be eligible for SEC registration within 120 days**;

If you check this box, you must make both of the representations below:

☐ I am not registered or required to be registered with the SEC or a state securities authority and I have a reasonable expectation that I will be eligible to register with the SEC within 120 days after the date my registration with the SEC becomes effective.

☐ By submitting this Form ADV to the SEC, *the filing adviser* undertakes to file an amendment to this *umbrella registration* to remove this Schedule R if, on the 120th day after this application for *umbrella registration* with the SEC becomes effective, I would be prohibited by Section 203A(a) of the Advisers Act from registering with the SEC.

☐ (7) are a **multi-state adviser** that is required to register in 15 or more states and is relying on rule 203A-2(d);

If this is your initial filing as a relying adviser, you must make both of these representations:

☐ I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of 15 or more states to register as an investment adviser with the *state securities authorities* in those states.

☐ The *filing adviser* undertakes to file an amendment to this *umbrella registration* to remove this Schedule R if, at the time of the *annual updating amendment*, I would be required by the laws of fewer than 15 states to register as an investment adviser with the *state securities authorities* of those states.

If you are submitting your *annual updating amendment*, you must make this representation:

☐ Within 90 days prior to the date of filing this amendment, I have reviewed the applicable state and federal laws and have concluded that I am required by the laws of at least 15 states to register as an investment adviser with the *state securities authorities* in those states.

☐ (8) have **received an SEC Order** exempting you from the prohibition against registration with the SEC. If you check this box, provide the following information:

Application Number: 803-      Date of Order:

☐ (9) are **no longer eligible** to remain registered with the SEC.

**SECTION 3 Form of Organization**

- A. How are you organized?
- ☒ Corporation
- ☐ Sole Proprietorship
- ☐ Limited Liability Partnership (LLP)
- ☐ Partnership
- ☐ Limited Liability Company (LLC)
- ☐ Limited Partnership (LP)
- ☐ Other (specify):

B. In what month does your fiscal year end each year?

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State Country

Korea, South

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed.

**SECTION 4.A. Direct Owners and Executive Officers**

In this Section 4, we ask you to identify each other *person* that, directly or indirectly, *controls* you.

- (1) Section 4.A. asks for information about your direct owners and executive officers.
- (2) Direct Owners and Executive Officers. List below the names of:
- (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, director and any other individuals with similar status or functions;
- (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);  
Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Section 4.A., a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
- (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
- (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
- (3) Do you have any indirect owners to be reported on Section 4.B. below? ☒ Yes ☐ No
- (4) In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
- (5) Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
- (6) Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%  
A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
- (7) (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
- (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
- (c) Complete each column.
- Check this box if you are filing this Form ADV through the IARD system and want the IARD system to pre-fill Schedule B with the same indirect owners you have provided in Schedule B for your filing adviser. If you check the box, the system will pre-fill these fields for you, but you will be able to manually edit the information after it is pre-filled and before you submit your filing.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
HIGHLAND CAPITAL MANAGEMENT, L.P.	DE	SHAREHOLDER	06/2012	E	Y	N	110126
PARK, JUN, BOM	I	REPRESENTATIVE DIRECTOR	08/2012	NA	Y	N	6909096
Seery, James, Patrick	I	DIRECTOR	03/2021	NA	Y	N	4531254

**SECTION 4.B. Indirect Owners**

- (1) Section 4.B. asks for information about your indirect owners; you must first complete Section 4.A., which asks for information about your direct owners
- (2) Indirect Owners. With respect to each owner listed in Section 4.A. (except individual owners), list below:
- (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;
- For purposes of this Section, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
- (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;
- (c) in the case of an owner that is a trust, the trust and each trustee; and
- (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have

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contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.

- (3) Continue up the chain of ownership listing all 25% owners of each EEL once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act). Do not include any other information.
- (4) In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
- (5) Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
- (6) Ownership codes are: C - 25% but less than 50% E - 75% or more  
D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)

- (7) (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the person does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

(b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

(c) Complete each column.

Check this box if you are filing this Form ADV through the IARD system and want the IARD system to pre-fill Schedule B with the same indirect owners you have provided in Schedule B for your filing adviser. If you check the box, the system will pre-fill these fields for you, but you will be able to manually edit the information after it is pre-filled and before you submit your filing.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	DE/FE/I	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	PR	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
HCMLP GP LLC	DE	HIGHLAND CAPITAL MANAGEMENT, L.P.	GENERAL PARTNER	08/2021	F	Y	N	
HIGHLAND CLAIMANT TRUST	DE	HIGHLAND CAPITAL MANAGEMENT, L.P.	SOLE LIMITED PARTNER	08/2021	E	Y	N	
HIGHLAND CLAIMANT TRUST	DE	HCMLP GP LLC	MANAGING MEMBER	08/2021	F	Y	N	
Seery, James, Patrick	I	HIGHLAND CLAIMANT TRUST	CLAIMANT TRUSTEE	08/2021	F	Y	N	4531254

#### SECTION 4.C. Control Persons

C. Does any *person* not named in Section 1.A., Section 4.A., or Section 4.B. directly or indirectly, *control* your management or policies?

Yes No



If yes, you must complete the information below for each *control person* not named in Section 1.A., Section 4.A., or Section 4.B. that directly or indirectly *controls* your management or policies.

No Information Filed

#### SECTION 4.D. Control Persons - Public Reporting Companies

No Information Filed

#### DRP Pages

##### CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

##### REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

###### GENERAL INSTRUCTIONS

This Disclosure Reporting Page (DRP ADV) is an ☐ INITIAL **OR** ☒ AMENDED response used to report details for affirmative responses to Items 11.C., 11.D., 11.E., 11.F. or 11.G. of Form ADV.

###### Regulatory Action

Check item(s) being responded to:

☐ 11.C(1)

☒ 11.C(2)

☐ 11.C(3)

☒ 11.C(4)

☒ 11.C(5)

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Use a separate DRP for each event or *proceeding* . The same event or *proceeding* may be reported for more than one *person* or entity using one DRP. File with a completed Execution Page.

One event may result in more than one affirmative answer to Items 11.C., 11.D., 11.E., 11.F. or 11.G. Use only one DRP to report details related to the same event. If an event gives rise to actions by more than one regulator, provide details for each action on a separate DRP.

PART I

- A. The *person(s)* or entity(ies) for whom this DRP is being filed is (are):
- ☒ You (the advisory firm)
  - ☐ You and one or more of your *advisory affiliates*
  - ☐ One or more of your *advisory affiliates*

If this DRP is being filed for an *advisory affiliate*, give the full name of the *advisory affiliate* below (for individuals, Last name, First name, Middle name). If the *advisory affiliate* has a *CRD* number, provide that number. If not, indicate "non-registered" by checking the appropriate box.

ADV DRP - ADVISORY AFFILIATE

No Information Filed

- ☐ This DRP should be removed from the ADV record because the *advisory affiliate(s)* is no longer associated with the adviser.
- ☐ This DRP should be removed from the ADV record because: (1) the event or *proceeding* occurred more than ten years ago or (2) the adviser is registered or applying for registration with the SEC or reporting as an *exempt reporting adviser* with the SEC and the event was resolved in the adviser's or *advisory affiliate's* favor.

If you are registered or registering with a *state securities authority* , you may remove a DRP for an event you reported only in response to Item 11.D(4), and only if that event occurred more than ten years ago. If you are registered or registering with the SEC, you may remove a DRP for any event listed in Item 11 that occurred more than ten years ago.

- ☐ This DRP should be removed from the ADV record because it was filed in error, such as due to a clerical or data-entry mistake. Explain the circumstances:

- B. If the *advisory affiliate* is registered through the IARD system or *CRD* system, has the *advisory affiliate* submitted a DRP (with Form ADV, BD or U-4) to the IARD or *CRD* for the event? If the answer is "Yes," no other information on this DRP must be provided.
- ☐ Yes ☐ No

NOTE: The completion of this form does not relieve the *advisory affiliate* of its obligation to update its IARD or *CRD* records.

PART II

- Regulatory Action initiated by:  
☒ SEC ☐ Other Federal ☐ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or *SRO*)  
U.S. SECURITIES AND EXCHANGE COMMISSION
- Principal Sanction:  
Cease and Desist  
Other Sanctions:  
CENSURE, CIVIL AND ADMINISTRATIVE PENALTY(IES)/FINE(S), UNDERTAKINGS
- Date Initiated (MM/DD/YYYY):  
09/25/2014 ☒ Exact ☐ Explanation  
If not exact, provide explanation:
- Docket/Case Number:  
ADMINISTRATIVE PROCEEDING FILE NO. 3-16169
- Advisory Affiliate* Employing Firm when activity occurred which led to the regulatory action (if applicable):
- Principal Product Type:  
No Product  
Other Product Types:

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):  
ON SEPTEMBER 25, 2014, HIGHLAND CAPITAL MANAGEMENT ENTERED INTO A SETTLEMENT WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC), RESULTING IN THE SEC ISSUING AN ORDER THAT RESOLVED THE SEC'S ALLEGATIONS THAT HIGHLAND VIOLATED SECTIONS 204(A) AND 206(3) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT") AND RULE 204-2 THEREUNDER BY TRADING SECURITIES BETWEEN ITS CLIENTS' ACCOUNTS AND ACCOUNTS IN WHICH HIGHLAND AND ITS PRINCIPALS MAINTAINED AN OWNERSHIP INTEREST WITHOUT ADHERING TO CERTAIN REQUIREMENTS SET FORTH BY THE ADVISERS ACT. THE TRANSACTIONS OCCURRED BETWEEN 2007 AND 2009, AND MANY WERE EXECUTED IN AN EFFORT TO GENERATE OR MAINTAIN LIQUIDITY FOR THE ADVISED ACCOUNTS DURING SEPTEMBER AND OCTOBER 2008. THE ORDER FOUND THAT, DURING THE RELEVANT TIME PERIOD, HIGHLAND ENGAGED IN A NUMBER OF TRANSACTIONS WITH ITS CLIENT ADVISORY ACCOUNTS WITHOUT DISCLOSING IN WRITING TO THOSE CLIENTS THAT HIGHLAND WAS ACTING AS PRINCIPAL, OR OBTAINING CLIENT CONSENT TO THE TRANSACTIONS, BEFORE THE TRADES WERE COMPLETED. HIGHLAND DID ULTIMATELY RECEIVE CLIENT CONSENT FOR MANY OF THE TRANSACTIONS; HOWEVER, THIS CONSENT WAS RECEIVED AFTER THE TRANSACTIONS HAD SETTLED, AND THEREFORE DID NOT COMPLY WITH THE REQUIREMENTS OF ADVISERS ACT SECTION 206(3). IN ADDITION, THE ORDER FOUND THAT, DURING THE RELEVANT TIME PERIOD, HIGHLAND FAILED TO KEEP AND MAINTAIN TRUE, ACCURATE AND CURRENT CERTAIN BOOKS AND RECORDS AS REQUIRED BY THE ADVISERS ACT.

8. Current Status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

09/25/2014 ☒ Exact ☐ Explanation

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions *Ordered* (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 225,000.00

☐ Revocation/Expulsion/Denial

☒ Censure

☐ Bar

☐ Disgorgement/Restitution

☒ Cease and Desist/Injunction

☐ Suspension

B. Other Sanctions *Ordered*:

UNDERTAKINGS

Sanction detail: if suspended, *enjoined* or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an *advisory affiliate*, date paid and if any portion of penalty was waived:

THE ORDER REQUIRES HIGHLAND TO CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF ADVISERS ACT SECTIONS 204(A) AND 206(3) AND RULE 204-2; CENSURES HIGHLAND; AND REQUIRES HIGHLAND TO PAY A CIVIL MONETARY PENALTY OF \$225,000, WHICH HIGHLAND PAID ON SEPTEMBER 26, 2014. HIGHLAND MUST ALSO COMPLY WITH CERTAIN UNDERTAKINGS, INCLUDING RETAINING AN INDEPENDENT CONSULTANT TO CONDUCT A COMPREHENSIVE REVIEW OF HIGHLAND'S COMPLIANCE AND CONTROL SYSTEMS RELATING TO PRINCIPAL TRADES, AND THE CREATION AND RETENTION OF ITS BOOKS AND RECORDS.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

SOLELY FOR THE PURPOSE OF SETTLING THESE PROCEEDINGS, HIGHLAND CONSENTED TO THE ORDER WITHOUT ADMITTING OR DENYING THE MATTERS IN IT (EXCEPT THE SEC'S JURISDICTION). THE ALLEGATIONS, DISPOSITIONS, FINDINGS AND SANCTIONS OF THE ORDER ARE DESCRIBED ABOVE IN ITEMS 7 AND 12.

#### CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

#### Part 2

##### Exemption from brochure delivery requirements for SEC-registered advisers

SEC rules exempt SEC-registered advisers from delivering a firm brochure to some kinds of clients. If these exemptions excuse you from delivering a brochure to *all* of your advisory clients, you do not have to prepare a brochure.

008200



Case 19-34054-sjl Document 23-33 Filed 06/05/23 Entered 06/05/23 22:10:41 Desc Exhibit Exhibits 53-58 Page 662 of 692

Case 3:23-cv-02071-E Document 23-33 Filed 12/07/23 Page 208 of 214 PageID 7806

Are you exempt from delivering a brochure to your clients under these rules?  
If no, complete the ADV Part 2 filing below.

Amend, retire or file new brochures:

Part 3			
CRS	Type(s)	Affiliate Info	Retire
There are no CRS filings to display.			

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order instituting proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
THOMAS SURGENT	04/25/2023
Printed Name:	Title:
THOMAS SURGENT	CHIEF COMPLIANCE OFFICER AND GENERAL COUNSEL
Adviser CRD Number:	
110126	

NON-RESIDENT INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order instituting proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this



3. *Non-Resident Investment Adviser Undertaking Regarding Books and Records*

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:  
Printed Name:  
Adviser *CRD* Number:  
110126

Date: MM/DD/YYYY  
Title:

## HMIT Exhibit No. 58

008203

**STINSON LLP**

Deborah Deitsch-Perez

Michael P. Aigen

2200 Ross Avenue, Suite 2900

Dallas, Texas 75201

Telephone: (214) 560-2201

Facsimile: (214) 560-2203

Email: [deborah.deitschperez@stinson.com](mailto:deborah.deitschperez@stinson.com)

Email: [michael.aigen@stinson.com](mailto:michael.aigen@stinson.com)

*Counsel for Plaintiffs The Dugaboy Investment Trust and the  
Hunter Mountain Investment Trust*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:

HIGHLAND CAPITAL MANAGEMENT, L.P.,

Reorganized Debtor.

DUGABOY INVESTMENT TRUST and  
HUNTER MOUNTAIN INVESTMENT TRUST,

Plaintiffs,

vs.

HIGHLAND CAPITAL MANAGEMENT, L.P. and  
HIGHLAND CLAIMANT TRUST,

Defendants.

§  
§ Chapter 11  
§  
§ Case No. 19-34054-sgj1  
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§ Adversary Proceeding No.  
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**COMPLAINT TO (I) COMPEL DISCLOSURES  
ABOUT THE ASSETS OF THE HIGHLAND CLAIMANT TRUST AND  
(II) DETERMINE (A) RELATIVE VALUE OF THOSE ASSETS, AND  
(B) NATURE OF PLAINTIFFS' INTERESTS IN THE CLAIMANT TRUST**

Plaintiffs The Dugaboy Investment Trust (“Dugaboy”) and Hunter Mountain Investment Trust (“HMIT” and collectively with Dugaboy, the “Plaintiffs”) file this adversary complaint (the “Complaint”) against Defendants Highland Capital Management, L.P. (“HCM” or the “Debtor”) and the Highland Claimant Trust (the “Claimant Trust,” and collectively with HCM, the “Defendants”), seeking: (1) disclosures about all distributions and an accounting of the assets and liabilities currently held in the Claimant Trust; (2) a determination of the value of the assets and liabilities; and (3) declaratory relief setting forth the nature of Plaintiffs’ interests in the Claimant Trust.

### **PRELIMINARY STATEMENT**

1. As holders of Contingent Claimant Trust Interests<sup>1</sup> that vest into Claimant Trust Interests once all creditors are paid in full, and as defendants in litigation pursued by Marc S. Kirschner (“Kirschner”) as Trustee of the Litigation Sub-Trust (which seeks to recover damages on behalf of the Claimant Trust), Plaintiffs file this Complaint to obtain information about the assets and liabilities of the Claimant Trust, which was established to monetize and liquidate the assets of the HCM bankruptcy estate.

2. Defendants’ October 21, 2022, January 24, 2023, and April 21, 2023 post-confirmation reports show that even with inflated claims and below-market sales of assets, cash available – if not squandered in self-serving litigation – is more than enough to pay class 8 and class 9 creditors in full. With more than \$100 million in assets left to monetize (not even counting related party notes), and almost \$550,000 in assets already monetized, even after burning through more than \$100 million in professional fees, there is and was more than enough money to pay the inflated \$387 million in creditor claims the Debtor allowed. These numbers compel the question

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<sup>1</sup> Capitalized terms not defined have the meanings set forth herein. If no meaning is set forth herein, the terms have the meaning set forth in the Fifth Amended Plan of Reorganization (as Modified) [Docket No. 1808].

– “What was all of this for, other than to justify outside fees and bonuses for the professionals involved?” See paragraphs 17-18 below. And despite repeated and increasingly specific requests, the Debtor has never provided granular enough information to specifically identify all of the monies raised and where all the money has gone, including another hundred million dollars that appears to be unaccounted. *Id.*

3. Accordingly, Plaintiffs and the entire estate would benefit from a close evaluation of current assets and liabilities. Such evaluation will also show whether assets were marked below appraised value during the pandemic and unreasonably held on the books *at those crisis period values*, along with overstated liabilities, to justify continued litigation. That litigation has served to enable James P. Seery (“Mr. Seery”) and other estate professionals to carefully extract nearly every last dollar out of the estate (along with incentive fees), leaving little or nothing for the owners that built the company.

4. Significantly, Kirschner seems to concede the merits of Plaintiffs’ position. After Plaintiffs began seeking the relief sought herein (originally by way of motion), Kirschner himself sought a stay of the massive litigation he instituted to evaluate whether the estate actually needed to collect additional funds. Plaintiffs and other defendants in that litigation agreed to the stay but could not convince the Debtor to provide the kind of fulsome disclosure that would allow Plaintiffs to evaluate for themselves the status of the estate, which secrecy continues to leave Plaintiffs with suspicions that prevent an overall resolution of the bankruptcy with no further need for indemnification reserves. Rather, Debtor continues to provide summary information that is not sufficient to enable Plaintiffs to determine the amounts of money being spent on administration and litigation, and not sufficient to determine whether if all litigation ceased, the estate could pay all creditors with money to spare for equity. Plaintiffs are especially concerned because the

information they have gleaned suggests inappropriate self-dealing that undermines confidence in the Debtor's financial reporting, making the relief sought herein all the more important.

5. While grave harm has already been done by the Defendants' excessive litigation and unnecessary secrecy, valuation now would at least enable the Court to put an end to this already long-running case and salvage some value for equity. As this Court observed in *In re ADPT DFW Holdings*, where there is significant uncertainty about insolvency, protections must be put in place so that the conduct of the case itself does not deplete the equity. In some cases, the protection is in the form of an equity committee; here a prompt valuation of the estate is needed.

6. Upon information and belief, during the pendency of HCM's bankruptcy proceedings, creditor claims and estate assets have been sold in a manner that fails to maximize the potential return to the estate, including Plaintiffs. Rather, Mr. Seery, first acting as Chief Executive Officer and Chief Restructuring Officer of the Debtor and then as the Claimant Trustee, facilitated the sale of creditor claims to entities that had undisclosed business relationships with Mr. Seery; entities that Mr. Seery knew would approve inflated compensation to him when the hidden but true value of the estate's assets were realized. Because Mr. Seery and the Debtor have failed to operate the estate in the required transparent manner, they have been able to justify pursuit of unnecessary avoidance actions (for the benefit of the professionals involved), even though the assets of the estate, if managed in good faith, should be sufficient to pay all creditors.

7. Further, by understating the value of the estate and preventing open and robust scrutiny of sales of the estate's assets, Mr. Seery and the Debtor have been able to justify actions to further marginalize equity holders that otherwise would be in the money, such as including plan and trust provisions that disenfranchise equity holders such as Plaintiffs by preventing them from having any input or information unless the Claimant Trustee certifies that all other interest holders